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ABSTRACT

As in previous years, this publication provides information on two dimensions of public education finance in the United States--raising and distributing education dollars. Information as reported by each of the 50 states is provided. The first section shows the current financing structure used in each state. In 1990, states generally reported four basic approaches--foundation programs, district power equalizing programs, combination approaches, or full state funding. Most states use a foundation program to support funding. Most states also account for special characteristics of students or school districts in their financing formulas, as shown in section 2. The third section reviews state provisions for capital outlay, debt service, and transportation, and the fourth section covers states' accommodation of differences among school districts for special student populations. The fifth section reports on state constitutional and statutory requirements related to school finance. Appendices provide additional educational finance information across the states. Appendix A shows the percent of federal, state, and local revenues for each state, along with average teacher salary and per pupil expenditure. Appendix B provides information on state support for nonpublic schools. Appendices C-F provide supplemental information on state weighting schemes used to allocate funding for special student populations, district and school size characteristics, and grade level differences. Appendix G furnishes school finance terms and notes. (MLH)

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School Finance at a Glance

April 1990

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Education Commission of the States

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SCHOOL FINANCE AT A GLANCE

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FOR:

Education Commission of the States

APRIL 1990

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The Education Commission of the States is a nonprofit, interstate compact formed in 1965. The primary purpose of the commission is to help governors, state legislators, state education officials and others develop policies to improve the quality of education at all levels. Forty-eight states, the District of Columbia, American Samoa, Puerto Rico and the Virgin Islands are members. The ECS central offices are at 707 17th Street, Suite 2700, Denver, Colorado 80295. The Washington office is in the Hall of the States, 444 North Capitol Street, Suite #248, Washington, D.C. 20001.

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PREFACE

Over the last 24 months, nearly half the states have been engaged in debate about the performance and/or constitutionality of their school finance systems. At last count, 13 states had launched investigations of their funding formulas. The courts have gotten involved in school finance in at least nine states. Four state supreme court decisions found existing school finance systems unconstitutional -- Kentucky, Montana, New Jersey, and Texas. This is a very active period for school finance.

In developing this issue of **School Finance at a Glance** (SFG), we have, as always, tried to assemble a comprehensive review of state finance provisions for a specific school year. This edition of SFG provides data for the 1989-90 school year.

We hope the format of a series of 8 1/2 x 11 50-state tables is useful. It was our way of responding to pressure for a desk-size version of SFG.

With such a high-level of activity in school finance this year, the reader should be aware of the changes in some state finance systems that have been legislated during 1990. For the most part, these new laws do not appear in the 1989-90 edition of SFG, since the systems become effective for 1990-91.

The new school finance systems in Kentucky, New Jersey, and Texas are good examples. In the case of Kentucky, the foundation program has been substantially revised, increasing both the foundation guarantee and required local contribution. A second level of state aid is provided for extra local effort and the new system includes fiscal rewards and sanctions related to student performance. In New Jersey, policy makers moved away from the guaranteed yield system that had been in place since the mid-1970's in favor of a high-level foundation program. The new law employs an expanded measure of local fiscal capacity (includes income), contains provisions for various special student populations and includes pension costs in the equalization formula. In Texas, the basic school finance structure remains unchanged from an earlier reform, but provisions for local contributions and foundation guarantees have been revised. Additionally, key features such as the Price-Differential Index are currently under review.

Work on the next edition of School Finance at a Glance will begin in late 1990. These and other changes in state school finance systems will be captured in the new version.

THE BASIC FORMULA

THE BASIC FORMULA

There are three dimensions to public education finance in the United States: raising, distributing and spending money. **School Finance at a Glance** provides information on two of these dimensions -- raising and distributing education dollars. It provides information as reported by each of the fifty states. In this section, the current financing structure used in each state is shown.

In 1990, states generally reported using four basic approaches to finance education: (1) Foundation programs (2) District power equalizing programs, (3) Combination approaches or (4) Full State Funding.

The majority of states (34) use a foundation program to support education. From a combination of state and local sources, these plans provide a guaranteed amount of funding for each student (pupil unit) or each classroom (instructional unit). Localities contribute to the guarantee through a uniform tax rate (or amount of aid) based on their ability to pay (wealth). The state supplements these revenues up to the guaranteed amount. Today, 24 states use a pupil unit to allocate foundation revenue, and seven use an instructional unit method. Foundation plans focus on the equalization of a uniform revenue level for education across the state. Often this is supplemented by local resources outside the system, which can be either restricted or unrestricted. In contrast to foundation programs, seven states apportion school revenue through some type of District Power Equalizing finance scheme. These plans include a sliding scale that provides increased amounts of state aid for each increase in local resources. Localities are guaranteed similar levels of aid for similar levels of effort (tax rates). Usually a minimum and a maximum level of local effort is specified in these plans. They focus on equalizing the ability of a locality to generate revenue for education.

Increasingly, states are using a combination of approaches for financing education which include both the Foundation and the District Power Equalizing plans. These approaches are referred to as Two-Tiered financing plans. They are used by nine states. Generally when a Two-Tiered Approach is used, the first tier receives the major financing emphasis, with additional local funding beyond it equalized through the second tier.

Finally, one state finances education through Full State Funding where the state collects and distributes all education revenue. Locally raised revenues are not considered as a part of the plan. Also a Flat grant plan, used by one state, provides uniform state aid to localities but allows local supplements beyond this amount to support education for elementary and secondary school students.

STATE	DESCRIPTION OF FORMULA
ALABAMA*	Foundation program based on instructional units; one unit is provided for each 28 pupils in ADA. The foundation guarantee per unit is a function of average salaries for each major classification of staff plus an amount of $3,933.35 per unit for current expenses other than salaries. RLE is 10 mills.
ALASKA	State Foundation Program determines a "basic need" by converting ADM to instructional units, multiplying the units by an area differential factor, and then multiplying the adjusted units times an instructional unit value. The state approves "funding communities" for ADM counts and computations of instructional units. The formula provides additional units for vocational and bilingual programs, and for handicapped and gifted pupils. The formula is weighted in favor of small, isolated sites. The state adjusts for P.L. 81-874 Impact Aid revenues at 90% of aid eligible for adjustment. Municipalities with taxing powers are required to provide their coterminous school district with local contributions to assure the equivalent of four mills of full assessed values or 35% of prior year basic need, whichever is less. Local contributions are also capped to assure state compliance with federal Impact Aid disparity test.
ARIZONA	Block grant for maintenance and operation is based on weighted pupil units. A District Support Level (DSL) and Revenue Control Limit (RCL) are determined for each district by multiplying total weighted pupils by a foundation guarantee per pupil ($2,281.00 for FY 90) plus allowable transportation costs. Basic equalization aid is the lesser of RCL or DSL plus capital outlay support levels minus local property tax revenue. Qualifying tax rate is 23.6 mills for K-8 and 9-12 districts; 47.2 mills for K-12 districts.
ARKANSAS	The foundation program is based on ADM for K-12 and weighted pupil units for special education, vocational education and gifted and talented, and growth. School districts receive an amount per WADM equal to the difference between the state guarantee per WADM ($1,986.09 for 1989-90) and the local (charged) per WADM. Local resource charges are 20.6 mills on real property (charges increase as state funds are added); 45 mills on personal property, utilities and regulated carriers; and 75% of miscellaneous fund receipts. Districts must spend 70% of their net current revenue on certified staff or be at the average of the states surrounding Arkansas.
CALIFORNIA	Funding is based on a historically derived Base Revenue Limit (BRL) per pupil in ADA. For 1989-90, BRL's are increased by flat dollar amounts, adjusted by district type (see grade level differences) and further adjusted as needed to bring low expenditure districts toward statewide average BRL. Each district receives a constitutionally prescribed flat grant of $120 per ADA or $2,400, whichever is greater plus their statutorily prescribed share of local property tax revenues.

STATE	DESCRIPTION OF FORMULA
CALIFORNIA (Continued)	RLE is the pro rated share of a countywide 1% property tax. To the extent that the above sources are insufficient to fund the district's total revenue limit (BRL plus categorical programs), it receives additional state aid.
COLORADO	A foundation program based upon a combination of pupil and instructional units for eight categories of school districts. Local share is property tax based upon a statewide uniform levy and district assessed valuation. In districts where the uniform levy raises excess revenue the levy is reduced. Funded pupils equals membership as of October first preceding the calendar/ budget year. Kindergarten and preschool pupils count as one-half pupils. A four-year phase-in to the formula amounts is planned. The 1990 calendar year is the **second year** of the phase-in.
CONNECTICUT	The Education Cost-Sharing (ECS) grant is a foundation-type formula grant. Each town receives a portion of the foundation, based on the ratio of the town's wealth when compared to the guaranteed wealth level -- 1.8335 times the median town's wealth. Wealth is measured in terms of property and personal income per pupil. Weightings for AFDC pupils and low test scores are used to adjust both the wealth measure used in the aid ratio, and the need count in the final grant determination. All towns will receive an increase over the previous year's grants. 1989-90 is the first year of a four-year transition into this program.
DELAWARE	State support provided in five major components. Division I support is allocated on the basis of statewide salary schedules and state formulae for number of employees in each category. Division II is a flat grant per unit for pupils for other costs, excluding personnel, transportation and debt service. Division III support is allocated per unit on the basis of district wealth (minimum is $1,580 per unit, the effective maximum is $12,300 per unit). Under the fourth component, the state also pays 100% of transportation costs for eligible pupils. The fifth component includes funding for 60% of the debt service for most school construction.
FLORIDA	The Florida Education Finance Program (FEFP) is a foundation program based on weighted FTE pupils. Basic state support is calculated by multiplying the number of FTE pupils in each of 52 categories by cost factors. These weighted FTE's are multiplied by the base per pupil guarantee ($2,538.26) for FY 89 and by district cost differentials to determine actual foundation guarantee per pupil. For 1989 those districts with a cost differential below 1.00 were adjusted to 1.00. Two

STATE	DESCRIPTION OF FORMULA
FLORIDA (Continued)	additional components were added to the foundation formula for 1989. These include the (1) rapid growth supplement and (2) the adequacy supplement. 1. The 1989 legislature added an FEFP component to address the needs of districts where growth exceeds the state average change in unweighted FTE enrollment from 1988-89 actual to the 1989-90 estimate. The percentage amount by which each district's enrollment growth exceeds the statewide average is to be multiplied by the district's 1989-90 unweighted FTE student count and the result used to proportionally distribute the amount of $10,000,000. 2. An amount of $5,845,083 was provided to guarantee an 8.0% weighted FTE increase in funding. This increase is measured based on total state and local FEFP, discretionary local funds, and the major formula based categoricals. They include K-3 Improvement, Safe Schools, Writing Skills, High Cost Science Labs, Reading Resource Specialist, Middle Childhood, Instructional Materials, Library Media Materials, Compensatory Education, Student Development Services, Pre-School Program, School Bus Replacement, Student Transportation, and Merit Schools. If the calculated amount exceeds the sum provided, district allocations are prorated. Districts are guaranteed a 7.068% increase in state support per FTE over FY 88. RLE is equalized for FY 89 with a range of millage rates using 5.792 mills for a state average. Districts adjust actual RLE based upon ratio of assessment to state average.
GEORGIA	A foundation program and guaranteed tax base program based on weighted FTE pupils (WFTE). State provides the difference between the foundation amount set by the state minus the local share, which is the amount raised locally by levying five mills on the 40% equalized property tax digest. For each mill raised above the five mills (up to 3.25 mills), the state will pay the difference needed in the per pupil amount for each WFTE to bring the amount raised per pupil equal to amount per pupil at the 90th percentile.
HAWAII*	Hawaii is the only state with a single unified public school system. The legislature and the governor exercise fiscal control over all expenditures for public education. General and special state funds are generated through state sales, personal income and corporate income taxes.
IDAHO	A Foundation program based on Support (instructional) Units. Pupil count using ADA is the basis for determining Support Units. Each

STATE	DESCRIPTION OF FORMULA
IDAHO (Continued)	school district is guaranteed $36,460 per unit for 1989-90 from a combination of state and local revenues. The amount of state support is the sum of units times the guaranteed value per unit less local support. Local school districts contribute a dollar amount equal to .331% of their prior year's market value of taxable property.
ILLINOIS	Districts receive general aid from one of three formulas, whichever provides the greatest amount. Equalization aid is provided through a guaranteed tax base (GTB) formula where both the GTB and qualifying tax rates may vary according to district type. An alternate method provides each district with an amount per weighted pupil in ADA between 7% and 13% of the state foundation level. A third formula provides a flat grant equal to 7% of the state foundation level. For 1989-1990, the foundation level is $2,384.25.
INDIANA	The basic foundation formula is adjusted biennially by the legislature. Distribution from the formula is on a calendar year basis to coincide with property tax assessment and levy collections. The revenue base consists of the prior year's state support plus the prior year's levy. The base is adjusted for growth in ADM and for equalization of revenue per pupil based on $2,650. For 1990, the formula guarantees a minimum 5% increase in the total base revenue over the prior year. It also includes an 8% ceiling on total revenue and a grandfather clause whereby no corporation (school district) receives less tuition support in 1990 than they received in 1989. The local contribution is a minimum of $2.50 per 100 assessed valuation (at 33.3% of full market value) adjusted by 5% or the ratio of the average growth in total assessed valuation over the prior two-year over the previous assessed valuation plus a legislatively set growth factor.
IOWA	A foundation program based on FTE pupil units. The state guarantees $2,292 per pupil from a combination of state and local revenues. State aid is the difference between a district's total foundation cost and a RLE of 20 mills.
KANSAS	The general state aid formula in the School District Equalization Act (SDEA) is based on the "district power equalizing" concept. Basic general state aid for a district is the district's legally authorized general fund budget **minus** the following: 1. "District wealth" times the district local effort rate (LER), based on five enrollment categories. The LER is calculated at 2.653% of district wealth for 1989-90.

STATE	DESCRIPTION OF FORMULA
KANSAS (Continued)	2. Amount of the federally qualified percentage of district receipts (if any) in the preceding school year under P.L. 847 (federal aid to federally impacted areas), except the amount for assistance in cases of major disaster and amounts received under the low-rent housing program. 3. The amount credited to the general fund from prior year's receipts from the motor vehicle tax. 4. Amount credited to the general fund in the prior year from industrial and port authority revenue bond payments in lieu of taxes. The total of items (1) through (4) is defined as a district's "local effort." District wealth consists of property valuation and taxable income.
KENTUCKY	A two-tiered equalization approach. A foundation program based on instructional units provides between $17,240 to $28,360 per unit based on a statewide teacher salary schedule; $5,421 per unit for current expenses; $1,800 per unit for capital outlay; plus a formula allotment for pupil transportation. The state funds the total cost of the foundation program. A power equalization allotment is set at the county district with the highest equalized value of property per pupil. Districts must levy $.25 equivalent tax rate to receive any "new money" above the 1986-87 allotment.
LOUISIANA	Foundation program based on instructional units with additional add-ons for support services and loss of state aid. Minimum Foundation Instructional Program -- Cost is determined by instructional personnel allotted (based on an October first membership count) and employed. The state provides an amount per instructional employee based on a salary schedule matrix of training and experience. Additional amounts are included for employee benefits, textbooks, special education transportation and other instructional costs. The total cost of the Minimum Foundation Instructional Program is equalized by a measure of local wealth. The local wealth measure is 5.5 mills of the current assessed value of taxable property. Minimum Foundation Support Services Program - A predetermined set amount is allocated for support services to provide state support for twelve identified areas. At the present time, there is no equalization of these funds.

STATE	DESCRIPTION OF FORMULA
LOUISIANA (Continued)	Parish Equalization - $15,000,000 to be distributed to individual school boards based upon recommendations made by the State Superintendent of Education and upon a two-thirds vote of concurrence by the State Board of Elementary and Secondary Education in order to provide support to school boards that need assistance due to the loss of state funds.
MAINE	Maine's school funding includes: (1) a modified foundation formula for basic operating costs; (2) shared state and local categorical funding for (a) specified educational programs such as special education and (b) for debt service; and (3) additional adjustments, funded entirely by the state, for designated unique circumstances such as unusual enrollment increases not included in the calculations. For funding in (1) and in (2a), the local LEA may choose to raise less than 100% of the sum of the calculated local share amounts for these two areas. However, in such cases, the sum of the state share amounts for these two areas will be reduced by the same percentage. Local units may raise additional property tax revenues outside the formula, but without participating state subsidy except in future years as noted below. The computation of the per pupil foundation guarantee for operation costs is statutorily specified as the statewide per pupil expenditure (with all state and local revenue sources, whether in or out of the formula), updated for one year's inflation by a formula specified in the statute. The mill rate specified in the foundation is set to guarantee that the state's share of all funding (operating, program, and debt service) will be at least as large as the state share percentage during the prior funding year and that the state share percentage of the foundation (operating cost) guarantee shall be at least as large as the state share percentage in FY 89. For FY 90, this target state share percentage of the operating, program costs, and debt service costs is 56.65%.
MARYLAND	Foundation program based on pupil units in FTE. The state guarantees $2,168 from a combination of state and local sources. RLE is a percentage of property valuation and taxable income.
MASSACHUSETTS	Combination percentage equalizing and foundation program based on weighted FTE pupil. The foundation level is set at the statewide average expenditure per weighted FTE pupil. State aid is calculated by applying a state-determined factor to the ratio of local-to-state wealth. This adjusts current year state aid to the current year state funding level. Remaining operating expenditures are raised locally. Districts spending below 85% of the statewide average per pupil expenditure receive grants of one-sixth difference each year until the minimum amount is reached.

STATE	DESCRIPTION OF FORMULA
MICHIGAN	Guaranteed yield program based on number of FTE pupils in membership. State guarantees $83.1 per mill per pupil for 1989-90 from a combination of state and local revenues plus a flat grant of $266. Additional incentive aid is provided to qualifying districts that adopt certain standards, defined by state. ($30.00 per pupil increase is flat grant for high school graduation requirement incentive and $14.00 per pupil for elementary class size incentive.) Actual state aid is equal to gross allowance guaranteed minus yield of district's mill levy times its equalized assessed valuation per pupil.
MINNESOTA	General education foundation program based on weighted pupils in average daily membership. Kindergarten pupils are weighted at 0.5, elementary pupils (grades 1-6) at 1.0, and secondary pupils (grades 7-12) at 1.35. A district's general education revenue equals the sum of its basic, compensatory, training and experience, sparsity and supplemental revenues. Basic revenue equals $2,838 times weighted ADM. Districts with high concentrations of AFDC students receive compensatory revenue. Districts with high levels of teacher training and experience receive training and experience revenue. Districts with small elementary or secondary schools in isolated locations receive sparsity revenue. All districts are guaranteed to receive at least $143 more per weighted ADM than they received from a previous formula in 1987-88. Districts that would receive less than the minimum guarantee from the basic, compensatory, training and experience, and sparsity revenues receive supplemental revenue to bring their total revenue up to the guarantee level. A district's general education levy equals 29.3% of the district's 1987 adjusted gross tax capacity. Districts receiving supplemental revenue make an additional levy. The supplemental levy equals the supplemental revenue times the ratio of the district's general education levy to the district's general education revenue excluding supplemental revenue. A district's general education aid equals the general education revenue minus the general education and supplemental levies. If a district levies less than the maximum amount, the state aid is reduced proportionately. The general education revenue is reduced for districts with unreserved operating fund balances exceeding $600 per weighted ADM. The reduction, taken proportionately from aid and levy, equals the lesser of $150 times weighted ADM or the amount of fund balance that exceeds $600 times weighted ADM.
MISSISSIPPI	Foundation program based on instructional units. The foundation guarantee for each district averages $31,900 per unit and is a function of the number of certificated teachers and other staff earned according to a

STATE	DESCRIPTION OF FORMULA
MISSISSIPPI (Continued)	schedule for computing instructional units (see grade level differences). Actual foundation program cost varies with training and experience of staff. A flat grant of $3,625 is included in foundation guarantee for support services. The local contribution is the county index times $18,500,000 (see measure of local ability to support schools). Pupil count is ADA.
MISSOURI	Foundation program with guaranteed tax base (GTB) add-on. Foundation guarantee is the total number of eligible pupils, including AFDC and orphan pupils (weighted .25) times 75% of the statewide average expenditure per pupil for the second preceding school year. Eligible pupils is an average of total membership and average daily attendance. RLE is 15.3 mills plus 57% of (half of) revenues from fines, forfeitures and escheats plus 57% of intangible tax receipts plus 57% of education earmarked one cent state sales tax. GTB is the equalized assessed valuation at the 90th percentile of pupils ($78,202 for FY 90). The difference between district wealth per pupil and the GTB times the effective local tax rate determines the amount of GTB aid.
MONTANA	Foundation program based on number of pupil units plus an additional guaranteed yield program. Under the foundation program, the state guarantees $1,730 to $1,233 per elementary pupil and $3,943 to $1,642 per high school pupil dependent on district size from a combination of state and local revenues. Required local effort is 28 mills for elementary and 17 mills for high school districts. The state provides an additional guaranteed yield up to 20% of the foundation program to elementary districts that levy up to six additional mills and high school districts that levy up to four additional mills.
NEBRASKA	State aid consists of three parts: (1) Foundation aid is based upon resident enrollment -- $149 for kindergarten, $298 for grades 1-6, $358 for 7-8, and $417 for 9-12. (2) Incentive aid pays $150 to $350 for each instructional person according to degree level. In addition, $18 per pupil is payable for summer school. (3) Equalization aid guarantees each school system $495 for kindergarten, $989 for grades 1-6, $1,187 for 7-8 and $1,385 for 9-12, from sources of state aid, certain regular school district receipts and a property valuation yield of $.28 or $.42 (per $100) depending on school system class.
NEVADA	Foundation program based on weighted pupil units. The foundation guarantee ranges from $1,000 to $5,687 per weighted pupil depending on district wealth and the amount of local revenue per pupil raised outside the foundation program in relation to statewide average revenues outside the foundation program. State aid is the difference between total program costs (total weighted pupils times district foundation guarantee)

STATE	DESCRIPTION OF FORMULA
NEVADA (Continued)	and the required local contribution. RLE is the yield from $.015 sales tax plus a 2.5 mill property tax.
NEW HAMPSHIRE	State aid is based on a two-tiered system including a foundation program and district power equalizing system. It is based on a foundation amount per pupil that includes adjustment for eight categories of special education and the district's projected education cost and fiscal capacity (equalization factor). The equalization factor is based on: (1) ratio of state average equalized valuation per weighted pupil to local equalized valuation; (2) ratio of state per-capita income to local per-capita income; (3) tax rate and revenue raised locally. State share is equalization factor times share state will pay for average wealth district (8% in 1989-90).
NEW JERSEY	Guaranteed tax base approach based on pupil units. State aid is the greater of two alternative calculations: (1) a state support ratio is computed for each district on the basis of local wealth relative to the GTB ($492,054 for 1989-90). This ratio is applied to the lesser of the prior year's net current expense budget or the maximum support budget (a dollar amount that varies by district type times the district's resident enrollment); (2) the state support ratio is calculated from a "minimum aid" tax base ($3,390,100 for 1989-90). This ratio is applied to 10% of the state support limit as defined in (1). Pupil count is resident enrollment as of the last school day of September of the pre-budget year.
NEW MEXICO	Foundation program based on weighted pupil units in MEM. The guarantee per weighted pupil is $1,811.51 for 1989-90. State foundation aid is equal to the sum of weighted pupil units times $1,811.51 minus 95% of designated local revenues (PL 874, forest reserve, and local property tax revenue).
NEW YORK	Percentage equalizing formula using a combined wealth measure of property and taxable income. A district's aid ratio is based on the sum of 50% of its full property value per total weighted pupil units compared to the state average of $138,800; and 50% of its income per total weighted pupil units compared to the state average of $68,300. This aid ratio is applied to a per pupil ceiling of $3,761. For 1987-88, the state share for a district of average wealth is 36%. The operating aid formula is effected by a $360 per pupil flat grant and a total dollar save-harmless provision. The operating aid per pupil is multiplied times the Total Aidable Pupil Unit count which is based on Average Daily Attendance. Supplemental support aid also provides $161.25 plus (62 times operating aid ratio) times weighted pupils. Districts above the state average wealth per pupil are reimbursed for a smaller percentage while districts below the state average are reimbursed for a larger percentage.

STATE	DESCRIPTION OF FORMULA
NORTH CAROLINA*	Flat grant program based on instructional units. The state provides between $14,080 and $29,120 per instructional unit based on a statewide teacher salary schedule. Additional support is provided for administrative personnel and teacher aides. There is no required local contribution. Pupil count is ADM.
NORTH DAKOTA	The foundation program is based on weighted pupil units (using either the average daily membership for the previous year, or the fall membership, whichever is greater). $1,525 for 1989-90 per pupil and $1,545 per pupil for 1990-91 is guaranteed. This amount is adjusted by factors ranging from .45 to 1.70 (see grade level differences) depending on school type and size. A local contribution of 21 mills for 1989-90 and 22 mills for 1990-91 against assessed property valuation is assumed in determining actual state aid allocation.
OHIO	Foundation program based on pupil units in ADM. $2,530 per pupil is guaranteed from state and local sources. This amount is adjusted by a county cost factor ranging from 1.000 to 1.075 to compensate for differences in salaries and wage rates among districts. RLE is 20 mills.
OKLAHOMA	Two-tiered system: foundation program based on weighted pupil units in ADA plus a power equalizing program based on weighted pupil units in ADM. Under the foundation program, the state pays $1,004 per pupil from state and local revenues. State aid is the difference between the foundation program cost and the local contribution. RLE is 15 mills. The power equalizing program provides an additional $43.97 per mill per pupil for each mill levied above 15 mills.
OREGON	Foundation program based on pupil units in ADM. For 1989-90, the state guarantees the lesser of a district's approved costs or $2,993 per pupil in ADM from state and local sources. Each district receives a basic grant equal to a uniform percentage of its total program cost (about 25%). Equalization aid is then computed for each district as the difference between approved total program costs and the sum of the basic state grant, district receipts from federal forest fees, common school fund receipts and required local tax effort. RLE varies for each district as a function of its approved per pupil program costs. The above formula was partially suspended for 1989-90. Only school districts entitled to a lesser amount under a new **interim** formula will be "held harmless" and have their allocation based on the above formula. All other school districts will be funded by a formula using the 1988-89 allocation as a base. This base amount will be increased by an estimated CPI of 5.2% and then adjusted for enrollment changes. A special $10

STATE	DESCRIPTION OF FORMULA
OREGON (Continued)	million grant was approved for selected districts: (1) to receive a tax levy offset a school district must have an operating levy tax rate above \$18.55 per \$1,000 of assessed valuation and have per student operating expenditures at or below the state average. (2) School districts spending at a level below 90% of the statewide average per student expenditure but taxing at an above average rate are entitled to a special grant.
PENNSYLVANIA	Combination of percentage equalizing and foundation approaches based on weighted pupil units in ADM. District aid ratio is the ratio of district to statewide average wealth as measured by both property valuation and personal income (see measure of local ability to support schools). Basic state aid is the product of each district's aid ratio times its weighted ADM times a foundation guarantee (\$2,330 for 1989-90).
RHODE ISLAND	Percentage equalizing program based on pupil units in ADM. A state support ratio is determined for each district by comparing the wealth of the district to the wealth of the state. This ratio is applied to \$3,500 (as of 1991) per pupil to determine the state share of program costs. A minimum state share of 28.5% is guaranteed.
SOUTH CAROLINA	Foundation program based on weighted pupil units in ADM. For 1989-90, the state guarantees \$1,467 from a combination of state and local sources. Required local contribution is equal to an index of local ability (see measure of local ability to support schools) times 30% of the statewide cost of the foundation program.
SOUTH DAKOTA	A guaranteed yield program based on the level of "formula" expenditure per pupil. A greater local effort is required as the expenditure level per pupil increases. The amount of aid a school district receives may not be less than 100% of the amount of aid received during the previous year.
TENNESSEE	Two-tier program. Tier one is a foundation program based on weighted pupil units in ADA. State provides 92.5% of the funds for the foundation program, defined as the sum of the following product for each district: the number of weighted pupils, the statewide average foundation program cost and the district teacher training and experience factor. The remaining 7.5% of cost is paid by local districts in proportion to their share of state property wealth.
TEXAS	Two-tiered program. Tier one is a foundation program based on \$1,477 per weighted pupil in ADA. The basic allocation is adjusted by a price differential index that reflects geographic variations in cost. Local districts contribute 33.3% of the cost of the program. The local contribution is distributed among the districts on the basis of the value of the property in the district, resulting in a chargeback of approximately

STATE	DESCRIPTION OF FORMULA
TEXAS (Continued)	$29 million. Tier 2 is a Guaranteed Yield Program. For each cent of tax effort, up to $.36, each district is guaranteed $18.25 per weighted pupil.
UTAH	Foundation program based on weighted pupil units plus a guaranteed yield program. The state guarantees $1,204 per unit. State aid is the foundation amount times the number of weighted pupil units minus the yield of a 21.28 mill local property tax. $19 per weighted pupil unit for the first two mills and $4 per weighted pupil unit for an additional eight mills beyond the required 21.28 mills is also guaranteed. Pupil count is ADM. Districts may vote an additional levy up to ten mills (.002000). State guarantees $19 per mill per weighted pupil unit for the first two mills.
VERMONT*	During the 1986-87 legislative session, Vermont enacted a foundation program based on weighted two-year ADM to take effect for the 1987-88 school year. Basic aid is calculated as the difference between each school district's total foundation cost and its foundation levy. Total foundation cost is determined by multiplying the weighted ADM by the foundation cost per pupil. The foundation levy represents the amount of taxes a standard effective tax effort (the foundation tax rate) would raise. For FY 88, the foundation cost per pupil (after weighting) is $2,800 and the foundation tax rate is $1.27 on 1% of the aggregate fair market value of all taxable property within each school district.
VIRGINIA	Foundation program based on pupil units in ADM. Basic program cost is determined by multiplying total ADM by the foundation guarantee ($2,330 in 1989-90) adjusted for small/sparse schools. From this is subtracted the district's share of a 1% state sales and use tax (sales tax dollars are rebated to districts on the basis of school-age population). Remaining cost is shared by the state and local district according to a composite index of ability to pay (see measure of local ability to support schools). The required local effort as determined by the index factor may not exceed 80% of remaining program cost.
WASHINGTON	Basic education program based on instructional, administrative and classified formula staff units. The state defines a basic education in terms of course offerings, minimum contact hours and staffing ratios and provides funding for this program. State support includes an amount per formula staff unit based on the average salary levels in school districts and nonemployee related expenses. Local school districts may supplement the basic program with local levies. A second tier of state aid is provided on a power equalized basis for local revenue up to 120 percent of the basic program amount.

STATE	DESCRIPTION OF FORMULA
WEST VIRGINIA	Foundation program based on instructional units. The state provides salary support ranging from $13,586 to $25,424 per instructional unit based on a statewide teacher salary schedule. Support for service personnel ranges from $935 to $1,835 per month according to a statewide schedule. The state assumes a local contribution to foundation program costs of 4.5 mills on residential and farm valuation, 9.0 mills on other property.
WISCONSIN	Guaranteed tax base (GTB) approach that varies according to district type and expenditure level. For K-12 districts, the state GTB is $286,900 per pupil for that portion of expenditures up to prior year state average expenditure per pupil of $4,335. For expenditures over the state average, the guarantee is the state average equalized valuation per pupil ($178,730). For elementary and secondary districts, the guarantees are 1.5 and 3.0, respectively, times the K-12 values. Districts not eligible for the above formula based aid are guaranteed a minimum aid payment from $100 to $400 per member.
WYOMING	Foundation Program based primarily on instructional units. Allowable instructional units are computed for each district from schedules that vary by school size and grade level. State guarantees $75,050 per unit plus Pupil Transportation, Special Education and other costs, from state and local sources. Total local resources include 25 local mills plus revenues from a six mill county levy, forest reserve funds, Taylor Grazing Act funds, fines and forfeitures, and tuition received.

THE SPECIAL CHARACTERISTICS OF SCHOOLS/SCHOOL DISTRICTS CONSIDERED BY SCHOOL FINANCE SYSTEMS

THE SPECIAL CHARACTERISTICS OF SCHOOLS/SCHOOL DISTRICTS CONSIDERED BY SCHOOL FINANCE SYSTEMS

Most states generally account for special characteristics of students or school districts in their financing formula. This section provides information on factors that are used by states to allocate funding to school districts to account for these special characteristics of schools and school districts, including the density or sparsity of the school district and the declining enrollment or growth in the school population. The reader should also note the section entitled "Assistance for Special Student Populations" for information on factors included in state financing formulas that provide funding according to different grade levels.

Basically the rationale for including factors in a financing formula that account for special school district characteristics is that additional support levels are needed to accommodate differences in the cost of providing educational services of similar quality among districts due to differences in economies of scale, the variation in the purchasing power of the dollar or declining enrollment or growth in the school population. Importantly, states support these different characteristics in many different ways.

STATE	DENSITY/SPARSITY OF SMALL SCHOOLS
ALABAMA*	Does not apply.
ALASKA	The formula is weighted in favor of small, isolated sites.
ARIZONA	Districts with less than 600 average daily membership (ADM) are considered small and receive special weightings. If they are also isolated, they receive additional weightings.
ARKANSAS	Special weighting for districts with less than 360 ADM to be phased out over three years ending in 1989-90. Small isolated districts of 350 ADM or less are eligible to receive additional aid if their mill rates are equal to the state millage charged on real property.
CALIFORNIA	For necessary small schools (elementary schools with less than 101 ADA, high schools with less than 301, single high schools in unified districts, high schools exclusively for juvenile hall pupils or special education pupils), districts may elect to receive a statutorily prescribed dollar amount based on the number of ADA and the number of certified employees in lieu of revenue limit funding. Districts must be less than 2,501 ADA.
COLORADO	One of the eight categories is for districts with enrollments of less than 150 funded pupils. One classroom unit is provided for each seven pupils, which is about half the 12.8 pupils of the next lowest category.
CONNECTICUT	Towns in regional K-12 districts receive an additional $25 per pupil in general aid as a flat grant.
DELAWARE	Does not apply.
FLORIDA	Sparsely populated districts receive a supplement per FTE. Sparsity supplements are multiplied by the district cost differential. Sparsity funding was reduced from $30 million to $12.5 million in 1989. Some of this difference was used to move all district cost differentials to a base of 1.00.
GEORGIA	Sparsely populated areas are allotted additional funds.
HAWAII*	Does not apply.
IDAHO	Support Unit allotments vary according to educational level and school district size. Remote and necessary schools may petition state board of education for special consideration.
ILLINOIS	Does not apply.
INDIANA	Does not apply.

STATE	DENSITY/SPARSITY OF SMALL SCHOOLS
IOWA	State aid is provided for .5% of the time a pupil is instructed by a teacher employed by another school district or instructed by a teacher who is jointly employed. If a substantial number of pupils share more than one class or teacher, the weighting is reduced to .1%.
KANSAS	To determine the general fund budget a higher budget per pupil is permitted in low enrollment districts.
KENTUCKY	Prior year end-of-year ADA is used to calculate foundation program units.
LOUISIANA	Predetermined teacher allotments are made for schools with fewer than 438 students in an October first membership count. Schools with a student October first membership count over 438 earn teacher allotments based on a prescribed ratio.
MAINE	Grants are provided for geographically isolated districts and small administrative units.
MARYLAND	Does not apply.
MASSACHUSETTS	Does not apply.
MICHIGAN	Does not apply.
MINNESOTA	Districts with secondary schools having fewer than 400 pupils in grades 7-12, or elementary schools having fewer than 140 pupils in kindergarten through grade 6, located in isolated areas receive sparsity revenue in the general education formula. The amount of revenue for secondary pupils varies as a function of the number of pupils, the distance to the nearest high school, and the attendance area. The amount of revenue for elementary pupils varies as a function of the number of pupils enrolled in schools located 20 or more miles from the nearest elementary school.
MISSISSIPPI	Does not apply.
MISSOURI	Prior year student count or a three-year average of prior years.
MONTANA	Elementary schools fewer than 300 pupils and high schools with fewer than 600 pupils receive state aid based on a foundation program schedule that provides greater per pupil payments for smaller schools with per pupil payments decreasing as school size increases. Declining payment scale. Elementary schools with more than 300 pupils and high schools with more than 600 pupils receive a flat rate per student, which is the lowest rate on the declining scale.

STATE	DENSITY/SPARSITY OF SMALL SCHOOLS
NEBRASKA	To districts that qualify for equalization aid, the percentage of 10%, 20%, 30% or 40% is added to the total basic need calculation for districts that have four, three, two or one person per square mile, respectively.
NEVADA	Weights for small schools and urban areas.
NEW HAMPSHIRE	Does not apply.
NEW JERSEY	Does not apply.
NEW MEXICO	Schools with less than 200 elementary and junior high school pupils, districts with less than 200 or 400 senior high school pupils, districts with over 10,000 ADM, but less than 4,000 ADM per high school, and districts with less than 4,000 total ADM, all qualify for additional aid.
NEW YORK	Does not apply.
NORTH CAROLINA*	A special allotment is paid for isolated school populations.
NORTH DAKOTA	High schools with up to 550 pupils receive up to a .635 extra weighting per pupil; one-teacher elementary schools receive a weighting of 1.29; small elementary schools are weighted between .925 and 1.045.
OHIO	Extra per pupil subsidy for three small Lake Erie Island school districts.
OKLAHOMA	Density factor is accounted for in transportation supplement. School district size of 500 or less is weighted in the foundation formula.
OREGON	Approved necessary small schools of less than 100 students. Elementary schools must be more than 10 miles from nearest elementary school. High schools must be more than 15 miles from nearest high school. Partially suspended for 1989-90.
PENNSYLVANIA	Qualifying districts get percent of their instructional costs based on populations per square mile; 4,000 and below population, 1%; 4,000-5,949 population, 3%; 5,950 and above, 5%. Two exceptions: (1) districts with populations per square mile of 5,950+ and student population over 35,000 WADM get 19%; (2) qualifying districts with populations per square mile below 4,000 persons and are central cities of Standard Metropolitan Statistical Areas get 3%. To qualify a district must levy local taxes equal to or in excess of statewide median tax effort. Also, aid is provided to small districts with ADM's equal to or less than 1,500 and an aid ratio equal to or greater than .5000.

STATE	DENSITY/SPARSITY OF SMALL SCHOOLS
RHODE ISLAND	Does not apply.
SOUTH CAROLINA	Does not apply.
SOUTH DAKOTA	Smaller school districts have a larger mill deduction.
TENNESSEE	Does not apply.
TEXAS	Basic allotment is increased by a percent proportional to the difference between a district's ADA and 1,600 ADA. Percent increase is greater for districts having over 300 square miles. Districts having below 130 ADA use a minimum ADA depending on actual ADA, grades taught, and the distance to nearest school.
UTAH	Additional units are provided for necessary, existent, small schools below 165 elementary ADM, 389 junior high ADM, 417 high school ADM and 722 for six-year secondary school ADM.
VERMONT*	A special study has been commissioned to determine if the costs of transportation (or relative density/sparsity) should be included as a weighting factor.
VIRGINIA	Does not apply.
WASHINGTON	For remote and necessary elementary schools and small school districts with less than 100 pupils and high schools with less than 300 pupils, additional units are allocated depending on grade level and required pupil-staff ratios.
WEST VIRGINIA	The statute would provide additional service personnel for qualifying counties based on the sparsity of population and bus miles driven. This statute was not funded for its first year, FY 90.
WISCONSIN	Does not apply.
WYOMING	If there is an increase of 10% or 100 ADM in any school, instructional units will be recalculated. The ADM count is based on the 60th day of school.

STATE	DECLINING ENROLLMENT OR GROWTH
ALABAMA*	Use of prior year pupil count as floor, with growth in ADA earning current units.
ALASKA	If total elementary and secondary units drop by more than 90% compared to prior year, state aid is paid at 90% of prior year.
ARIZONA	Rapidly declining district's pupil count cannot decrease more than 5% from the prior year. Growing school districts that experience a significant change in their growth patterns may be eligible to recalculate their budget limits and eligibility for financial assistance.
ARKANSAS	Declining Enrollment: Foundation Aid is based on the previous year ADM. This effects hold-harmless for one year. Growth: District Foundation Aid is increased by one-sixth of the current year ADM growth for each $27,000,000 or major portion thereof, of increase in Minimum Foundation Program Aid.
CALIFORNIA	Districts choose the greater of current or prior year ADA. In 1989-90, any ADA increase over 1982-83 level is paid at 105% of the 1989-90 statewide average base revenue limit or district base revenue limit, whichever is less.
COLORADO	Declining enrollment districts receive at least the same amount per pupil in 1990 as in 1989. Increasing enrollment districts receive additional funding within the formula and those growing more than three percent or 350 pupils, whichever is less receive a separate payment in December. Hold harmless districts may not exceed a three percent increase in total funding for 1990 over 1989.
CONNECTICUT	Does not apply.
DELAWARE	Districts guaranteed 93% of pupil units enrolled in previous year.
FLORIDA	Districts receive additional state aid for 50% of the decline in unweighted FTE over the previous year at previous year value per FTE.
GEORGIA	Average of three most recent FTE counts for each program with a mid-year adjustment the following year.
HAWAII*	Does not apply.
IDAHO	The state school support of a school district with a decreasing ADA of 1% or more will be maintained at the level of the previous year less 1%.
ILLINOIS	Greater of 1988-89 best three months WADA or the three-year average WADA for 1986-1987, 1987-1988, and 1988-1989.

STATE	DECLINING ENROLLMENT OR GROWTH
INDIANA	A school district experiencing ADM growth is provided an increase in the basic grant providing ADM growth has occurred in two consecutive years.
IOWA	25% of 1978 enrollment plus 75% of the greater of 1988 or 1989 enrollment.
KANSAS	For general fund budget limitations prior year enrollment may be used if the district declines between 4% and 10%, based on a sliding enrollment scale. If the decline is greater than the applicable specified percentage, the budget must be based on prior year's enrollment less the number of pupils in the current year by which the percentage is exceeded.
KENTUCKY	Additional units are funded for growth in ADA during the first two months of the school year over the ADA of the previous year. Also, additional units are funded based on a greater than 2% less in attendance.
LOUISIANA	Does not apply.
MAINE	Grants are provided for unusual enrollment increases that exceed 3% of the prior year.
MARYLAND	Enrollment is a factor in funds granted to each Local Education Agency.
MASSACHUSETTS	Does not apply.
MICHIGAN	Does not apply.
MINNESOTA	There is no specific adjustment for declining enrollment or growth.
MISSISSIPPI	Pupil count is the larger of the current year's ADA divided by 24 in grades K and 1-4; or 27 in grades 5-12; or the previous year's ADA divided by 24 in grades K and 1-4; or 27 in grades 5-12.
MISSOURI	Does not apply.
MONTANA	Prior year enrollment is used to determine current year funding.
NEBRASKA	Districts qualifying for equalization aid that show a decrease in enrollment of more than 2% may add such a percentage to the basic needs total. Districts qualifying for equalization aid that reflect increased enrollment by 1/2% or more during the school year may add such a percentage to the basic needs total. A 10% maximum is applicable to both situations.

STATE	DECLINING ENROLLMENT OR GROWTH
NEVADA	Guarantees payment based on 100% of previous year's enrollment if current enrollment is less.
NEW HAMPSHIRE	Does not apply.
NEW JERSEY	Does not apply.
NEW MEXICO	Districts with a projected MEM of 200 or less shall calculate the program units on the greater of the prior year's funded or projected units.
NEW YORK	The percentage by which ADA of first half of current year exceeds ADA for same period of base year is applied to operating aid to generate growth aid, which is paid in addition to base formula aid. Districts with declining enrollment may select higher of base year pupil count or a two-year average pupil count in the operating aid formula.
NORTH CAROLINA*	Does not apply.
NORTH DAKOTA	Pupil payments are based on the current fall enrollment, or the ADM for the previous year, whichever is greater. Thus, the formula is sensitive to both declining and increasing enrollment.
OHIO	Basic aid formula uses the highest ADM of the current year or the average of the current year and the two preceding years.
OKLAHOMA	Best of last two-years' ADA and ADM is used.
OREGON	A payment for enrollment decline provides a grant of 75% of the difference between December resident ADM and the previous year's resident ADM, which adjusts the basic grant per ADM. Growth grant is based on 100% of difference. Partially suspended for 1989-90.
PENNSYLVANIA	Does not apply.
RHODE ISLAND	Does not apply.
SOUTH CAROLINA	Does not apply.
SOUTH DAKOTA	School districts that have an increase in enrollment by over 30 students will receive two times the district's per student state aid amount for each student above the 30 student increase.
TENNESSEE	Does not apply.

STATE	DECLINING ENROLLMENT OR GROWTH
TEXAS	Does not apply.
UTAH	The State Board of Education gets a small appropriation to be used as a contingency fund. One of the purposes of the fund is to maintain program levels in districts that may experience unanticipated losses of students.
VERMONT*	Student ADM is averaged over a two-year period.
VIRGINIA	In 1989-90, the state provides an additional payment, equal to the state share per pupil of Basic Aid for each locality, for 40% of the enrollment loss from 1988-89 to 1989-90.
WASHINGTON	Does not apply.
WEST VIRGINIA	Increased enrollment is addressed through statute which provides additional funds for counties experiencing enrollment growth. The foundation formula is based on enrollment so declining enrollment generates decreased basic state aid.
WISCONSIN	Does not apply.
WYOMING	Final adjustment will be made should any factor in the Foundation formula change from the original by 10% or more.

ASSISTANCE FOR CAPITAL OUTLAY AND TRANSPORTATION

ASSISTANCE FOR CAPITAL OUTLAY AND TRANSPORTATION

State provisions for capital outlay, debt service and transportation are reviewed in this section.

Although capital outlay and debt service -- funding for school facilities and debt retirement -- were long considered the responsibility of local school districts, states are becoming more active in assisting in these areas. In some cases states provide funding for all or a part of approved building costs or capital improvement projects; provide mechanisms whereby lower interest rates can be secured for bonds which are sold to finance these costs; and/or stipulate the maximum amount of debt that can be incurred for building/improvement purposes.

States also provide factors in their financing formula to support transportation costs for school districts. Often additional funding for these purposes is provided for special populations as a supplement to the main transportation cost formula (see Special Student Populations).

STATE	CAPITAL OUTLAY AND/OR DEBT SERVICE
ALABAMA*	$58.50 per teacher unit. Bonded indebtedness may not exceed 80% of estimated annual local tax receipts in a given year for a district.
ALASKA	State reimburses municipalities up to 80% of debt service costs for pre-approved construction projects over $25,000. Direct construction appropriations are made for schools outside organized municipalities.
ARIZONA	Districts calculate a Capital Outlay Revenue Limit and in most cases receive state aid based on an amount per prior year student count (ADM). Rates are based on size of district and vary from $210.51 to $254.32 for K-8 and $249.85 to $307.16 for 9-12. This money can be used in capital outlay or maintenance and operation. Districts calculate a Capital Levy Revenue Limit and in most cases receive state aid based on an amount per prior year student count (ADM). Rates are based on size of district and vary from $163.56 to $197.60 for K-8 and 9-12. This money can only be used for capital outlay.
ARKANSAS	School districts are permitted eight votes, with majority approval, debt service millage for the purpose of retiring bonds sold to finance the construction and equipping of school facilities. Excess revenues can be used for any purpose. Districts are authorized, with majority voter approval, to levy and collect a tax not to exceed 3% of a school district's current expenses or two mills, whichever is less, for capital outlay of the school district. Receipts from the tax are restricted to the: 1. addition of classrooms necessary to meet school standards 2. purchase of school buses 3. purchase of equipment related to required educational courses 4. repayment of revolving loans.
CALIFORNIA	In 1988 the voters approved two $800 million state general obligation bonds for state school construction. As of July 1, 1989 all of the $1.6 billion had been committed to local school building projects. As of December 1, 1989, $927 million of the $1.6 billion authorized bonds had been sold. The state currently estimates a school capital outlay need just for new construction of $17 billion over the next ten years. Another $1 billion per year is estimated for modernization of aging school buildings. State general obligation bonds alone cannot support the school construction need. State legislation has been introduced that would change the state constitution to allow local general obligation bonds to be approved on a simple majority vote rather than the current two-thirds requirement. As local agencies repay loans made from the previous state school building aid program, the excess required to retire the debt is used to

STATE	CAPITAL OUTLAY AND/OR DEBT SERVICE
CALIFORNIA (Continued)	match local school district funds for deferred maintenance. Since the number of outstanding loans is diminishing, the amount of the excess bond repayments declines each year. In 1988-89, $52 million in excess bond repayments was available to address the $160 million requested by local school districts for deferred maintenance. It is estimated that for 1989-90, only $45 million will be generated from excess bond repayments to meet an estimated request of $162 million.
COLORADO	The bonding limit is 20% of assessed valuation. In rapidly growing enrollment districts, 25% of assessed valuation is the limit.
CONNECTICUT	The state pays 40% - 80% of approved projects, inversely related to district wealth. In regional districts the state pays up to 10% more on an equalized basis, but such districts may not receive more than 85% reimbursement. Bonded indebtedness may not exceed 450% of the annual receipts of taxes for the fiscal year preceding the issue.
DELAWARE	The state pays 60% of approved projects; 100% for special schools and for vocational schools. Bond issue must be approved by referendum. Bonded indebtedness is limited to 10% of the assessed valuation of the district.
FLORIDA	State allocates capital outlay funds based on a percentage of FTE membership and growth in FTE membership. Bond levies may not exceed six mills without State Board of Education approval.
GEORGIA	Grants based on increased growth and consolidation. Bonded indebtedness may not exceed 10% of a school district's total assessed property valuation.
HAWAII*	Legislature appropriates funds for entire capital improvements program on a project by project basis.
IDAHO	Bonded indebtedness may not exceed 5% of total assessed market value of property.
ILLINOIS	Authorizing legislation exists in capital outlay and debt service. Approximately $68 million in capital outlay funds was appropriated for FY 90.
INDIANA	Each district is provided a flat grant of $40 per pupil in average daily attendance (ADA -- a 15 day count taken in the fall). Two separate loan funds provide qualifying corporations with limited construction funds at interest rates below the prevailing rates. Bonded indebtedness

STATE	CAPITAL OUTLAY AND/OR DEBT SERVICE
INDIANA (Continued)	is limited to 2% of assessed property valuation and must be approved by local taxpayers.
IOWA	Bonded indebtedness is limited to 5% of assessed property value.
KANSAS	Districts budgeting a capital outlay levy of at least 3.5 mills may transfer monies from their general fund budgets to the special capital outlay budgets. Expenditures for acquisition of equipment and building repair may come directly from the general fund. General obligation bonds must be approved by a majority of the voters. If the bonded debt limit exceeds 14% of the equalized assessed valuation the approval by the State Board of Education is required prior to holding an election.
KENTUCKY	School Facilities Construction Commission issues and shares cost of bonds and interest with qualifying school districts at $1,800 per classroom unit. Limit on bonded debt is set by Department of Education.
LOUISIANA	No state aid is provided. Limit for bonded indebtedness is 25% of assessed property valuation in the district. Local tax elections are held in school districts or school subdistricts.
MAINE	All expenditures for school construction that are approved by the State Board of Education are subsidizable by the State.
MARYLAND	All costs except land and local debt service prior to 1971. There is no debt limit except in charter counties where the debt limit is 10% of the assessed property valuation of the district.
MASSACHUSETTS	Aid is distributed on a percentage equalizing basis. Districts receive a percentage of the total expenditures per school-attending child. These percentages vary according to the property wealth of each district. The state also aids 50% of debt service. Bonding limit is 2.5% of equalized assessed property value in cities and 5% in towns.
MICHIGAN	Not available.
MINNESOTA	The capital outlay revenue program consists of three major components: facilities revenue, equipment revenue, and health and safety revenue. Facilities revenue equals $130 per weighted ADM. Equipment revenue equals $65 per weighted ADM. Health and safety revenue equals the cumulative approved cost of health and safety programs for FY 85-90, minus the cumulative federal, state, or local receipts for these programs. The levy for each of these programs equals the revenue times the ratio of the district's 1987 Adjusted Gross Tax Capacity (AGTC) per 1989-90

STATE	CAPITAL OUTLAY AND/OR DEBT SERVICE
MINNESOTA (Continued)	WADM to 70% of the General Education Equalizing Factor or $6,780.20. The aid for each of these programs equals the revenue minus the levy. Additionally, a district may levy the amount needed to repay the principal and interest on energy conservation loans received under either of two available programs. A district may also levy for the approved cost of renting or leasing facilities. For Debt Service, a district may levy an amount between 105% and 106% of that needed to make principal and interest payments on general obligation bonds. Additionally, a district may levy an amount equal to the product of the tax capacity rate approved in the district's Facilities Loan Payment Levy Referendums, times the district's 1987 AGTC. Further, a district may levy between 105% and 106% of the amount needed to make principal and interest payments on certificates of indebtedness or capital notes issued for the purchase of specified capital equipment. The amount levied under this program is subtracted from the Capital Expenditures Equipment levy. Finally, a limited loan program exists to assist districts with high debt service effort.
MISSISSIPPI	State provides $18 per year per pupil in ADA. Bonded indebtedness limit is 15% of assessed property valuation. Additional authority for Notes and Certificates of indebtedness is limited to the amount a three mills tax levy for 10 years will repay, including interest.
MISSOURI	State aid for capital outlay limited to vocational programs and nonspecific general aid. Exception was a one-time set of state matching grants for the purchase of microcomputers. State aid for debt service is limited to no interest loans for certain energy projects. Bonded indebtedness may not exceed 10% of assessed property value.
MONTANA	Bonded indebtedness may not exceed 45% of taxable property value of district.
NEBRASKA	Statutorily, bonding limits on Class I and Class II districts are limited to 14% of the actual valuation of all district property. There are no limits on Class III, IV, V or VI school districts.

STATE	CAPITAL OUTLAY AND/OR DEBT SERVICE
NEVADA	Bonded indebtedness may not exceed 15% of assessed valuation.
NEW HAMPSHIRE	The state pays 30% - 50% of annual payment of bonded principal for approved projects. Debt limit varies for cities and regional districts. Town school districts are limited to 7% of local assessed valuation. Cooperative school districts can go to 10% of assessed valuation. General court action allows some districts to go to 12%.
NEW JERSEY	Equalized to wealth of district for debt service and capital outlay of previous year. Bonding debt limit varies according to district type. K-12 districts are limited to 4% of total three-year average equalized value of real property. Regional districts (9-12) and K-8 districts limited to 3%; K-6 2.5%; 7-12 3.5%; and first class cities 8%. Capital outlay budgets for aid purposes are limited to 1.5% of the sum of the district's current expense and capital outlay budgets of the previous year.
NEW MEXICO	Guarantee of $35 per mill per program unit less two mills, other by application. Bonding limit of 6% of net assessed property valuation. Mill levy of (10) less two mills and debt service.
NEW YORK	Aid is provided for approved building expenses including both debt service and capital outlay. Formula "equalizes" based on real property wealth of district. Limits for bonded indebtedness are based on the relationship of debt to full value of district property. Limit is 10% of property valuation for noncity school districts and New York City; 5% for city schools under 125,000 population; and 9% for city school districts over 125,000.
NORTH CAROLINA*	State Literary Loan fund provides maximum $300,000 loan to districts at 6% interest. Bonded indebtedness is limited to 8% of total assessed valuation of county.
NORTH DAKOTA	Bonds may be issued by districts to purchase, enlarge, erect and improve school buildings. A 60% majority vote is required. A state school construction fund allows qualifying districts to receive up to 30% of taxable assessed valuation not to exceed $1 million. Bonding limit is 15% of taxable assessed valuation. School boards may levy up to 15 mills for 15 years to pay off the principal and interest for asbestos abatement. A two-thirds vote of the school board is required to implement the levy.
OHIO	Permissible local bonded indebtedness is 9% of assessed property valuation. State helps subsidize school bus purchases, vocational education equipment replacement, and vocational construction.
OKLAHOMA*	Bonded indebtedness cannot exceed 10% of total assessed valuation.

STATE	CAPITAL OUTLAY AND/OR DEBT SERVICE
OREGON	Bonding limit is .55% of total true cash value per grade for grades K-8. The limit is .75% per grade for grades 9-12.
PENNSYLVANIA	The state pays the approved cost of a project; also for the rental of a facility. The limit for school district indebtedness is based on the level of the borrowing base, which is the average of a district's total revenues for the three years preceding the year in which such debt will be incurred. Nonvoted debt cannot exceed 250% of the borrowing base, except in Philadelphia where the limitation is 100%. The limitation goes to 300% of the base when new lease rental debt is included (150% in Philadelphia).
RHODE ISLAND	Minimum of 30% of capital outlay expenditures, and bond interests, depending on housing aid ratio plus 75% of the difference between debt service costs and the yield of a three mill tax. Municipal limit for bonded indebtedness is 3% of assessed valuation and this requires voter approval. Beyond that limit, approval of legislature and board of regents is required for all bond supported projects. All new projects under formula similar to operations aid. Incentive bonus for energy conservation, handicapped access and asbestos removal, and regional districts.
SOUTH CAROLINA	The state provides $30 per pupil enrolled in grades 1-12; $15 per pupil enrolled in kindergarten. Bonded indebtedness limited to 8% of assessed valuation unless a referendum is held for the increase. In addition, the state budget provided $1,412,000 for school building aid for 1989-90 under the educational reform program (Education Improvement Act of 1984).
SOUTH DAKOTA	Bonding limit is 10% of a district's taxable property value less outstanding bonds.
TENNESSEE	The cost of capital outlay for the state as a whole is computed on the basis of a per capita amount per pupil in average daily attendance during the preceding school year. It is assumed, but not required, that 42.5% of the aggregate cost of the program for the state will be available locally for capital outlay. The law provides that no county shall receive less state capital outlay funds than it received during the 1950-51 school year. Approximately 50% of this amount can be used for debt service.
TEXAS	Bonding limit is 10% of assessed property value. Bonds may be guaranteed by the Permanent School fund under certain conditions.
UTAH	State pays greater of unmet critical needs or eligible amount under continuing school building formula once revenue from 13.5 mills has

STATE	CAPITAL OUTLAY AND/OR DEBT SERVICE
UTAH (Continued)	been applied against district need. In order to qualify for critical building program, districts must levy 17.55 mills. Debt limit is 20% of assessed property value of school district.
VERMONT*	The state pays 30% of the construction costs for approved projects. Under the Foundation Plan, aid for debt service is **no longer** a stand-alone program paying 20% of a district's expenditures. Aid for debt expenditures is now a "supplemental aid" category with the state paying the same rate as the district's state share. State share is the percentage of the district's Total Foundation Cost, which is covered by Basic Aid, and varies between 5% and 75%. Districts with pre-existing debt will continue to receive 20% aid.
VIRGINIA	Literary Fund loans are available from the state with a ceiling of $2 million and with interest rates determined by a locality's composite index (equalization mechanism). Virginia Public School Bonding Authority (VPSBA) may guarantee loans under certain conditions. Enables districts to buy bonds at a lower interest rate.
WASHINGTON	Approved projects on percentage equalizing basis, with 50% aid in district with average assessed value per student; minimum 20%, maximum 90%; uniform space criteria is basis of need. Total debt limit is 5% of assessed property, 2.5% of this is for capital construction.
WEST VIRGINIA	Approved projects with a flat grant, an amount per student, plus the amount per student times an assessment ratio comparing the bond potential of a district to the state. Bonding limit is 5% of school district assessed valuation.
WISCONSIN	Capital outlay financed directly from taxes is included in shared costs, as is up to $90 per pupil for long-term debt service. Debt is limited to 10% of equalized valuation in K-12 districts, 5% in other districts, and 2% in Milwaukee.
WYOMING	Emergency grants available when bonded debt is at least 80% of bonding capacity subject to the availability of funds. Debt limit is 10% of assessed property valuation.

STATE	TRANSPORTATION
ALABAMA*	Transportation costs are calculated on the basis of the ADA of transported pupils times the allowable cost per pupil per day and is funded through the foundation program.
ALASKA	State reimburses school districts at 100% of pre-approved costs. Program is funded separately from foundation aid program.
ARIZONA	Districts calculate a Transportation Support Level and in most cases receive state aid based on prior year's daily route miles per student transported. Rates are $1.81 per mile for districts with .5 miles per student or less, $1.47 for .501 to one mile and $1.81 for greater than one mile per student. Additional support is allowed for academic, vocational and technical education and athletic trips. This increase is determined by a factor based on district type and miles per student and varies from 15% to 30% over the support level calculated above. Approved daily route miles are multiplied by 175 days.
ARKANSAS	Average daily transported pupils (ADT) divided by the school district's area in square miles times rate per ADT plus unit nonresident aid.
CALIFORNIA	California districts receive reimbursement in the current year based on prior year approved transportation expenditures. If the district's prior year approved transportation expenditures are at least 95% of the prior year state allowance, the district receives 100% of the prior year allowance plus the Budget Act cost of living adjustment. If the district's prior year approved transportation expenditures are less than 95% of the state allowance, the district receives the certified percentage plus 5%.
COLORADO	Based upon a one day count of route miles districts receive $.38 per mile plus 34% of the difference between current operating expenses for pupil transportation and the amount determined by multiplying $.38 times miles traveled October first and the days of school held in the term. Maximum reimbursement of 90% of current operating expenses. Reimbursement period is July-June.
CONNECTICUT	State support is based on district wealth per capita. Support ranges from 20% of reimbursable costs to 60% from the prior year. Regional high school districts receive an additional 5% and regional K-12 districts receive an additional 10%.
DELAWARE	State provides total cost of transportation for K-6 pupils who reside over one mile from school and for 7-12 pupils who reside more than two miles from school.
FLORIDA	Aid is based on a formula that provides for an allowance per student cost based upon a density index of the number of transported pupils per

STATE	TRANSPORTATION
FLORIDA (Continued)	bus route mile. Generally, pupils must live more than two miles from school to be counted and transported.
GEORGIA	State aid is provided according to a schedule of standard transportation costs and a schedule of variable transportation costs.
HAWAII*	Funds for the transportation program are appropriated directly by the legislature.
IDAHO	District transportation support program is based on transporting pupils 1-1/2 miles or more to schools. The state funds 85% of the allowable cost through the foundation program.
ILLINOIS	For regular pupils, the state provides a minimum of $16 per pupil or actual eligible costs less a qualifying amount. For vocational and special education, 80% of allowable costs are reimbursed. Parents/guardians of pupils residing 1-1/2 miles or more from their attendance center or less than 1-1/2 miles if hazardous conditions exist and do not have access to free public transportation may file for a state grant of up to $135 for 1988-89.
INDIANA	Regular transportation reimbursement is provided for all students who live more than one mile from school. Formula is based on density of transported pupils per mile in the district and the ability of the district, based on assessed valuation, to share in transportation costs. Funding is also provided for vocational and special education students using a formula based on actual costs. The state share is limited by the amount appropriated by the legislature. All districts are guaranteed no less than the amount they received in 1975. State currently provides slightly more than 20% of total transportation costs. The local share is raised through a separate fund tax rate.
IOWA	Transportation is not categorically funded but is folded into the foundation program.
KANSAS	All districts transporting pupils living 2.5 miles or more from the school receive 96% of the actual cost per pupil or the state average cost per pupil. The formula takes into account the per pupil cost of transportation, density of the district in terms of pupils transported, and square miles in the district.
KENTUCKY	Transportation allotment is based on pupil density and the average per pupil per day cost of transporting for comparable districts. Total allotment cannot exceed funds appropriated for pupil transportation.

STATE	TRANSPORTATION
LOUISIANA	Minimum Foundation Support Services Program provides a portion of a predetermined amount for regular pupil transportation. Special education pupil transportation is allocated in the Minimum Foundation Instructional Program based on the actual cost of special education bus transportation routes, plus bus attendants state salary.
MAINE	The total subsidizable transportation operating funds for each LEA is calculated as all transportation operating expenditures from state and local revenue sources two years prior to the year of funding, updated by a one-year inflation factor. All bus purchases from the prior year that are approved by the Maine Department of Education are subsidizable one year later.
MARYLAND	A flat grant, based on FY 81 approved cost, is inflated by the Transportation Consumer Price Index figure for the Baltimore Metropolitan area.
MASSACHUSETTS	The state reimburses spending for transportation at a rate dependent on the appropriation levels each year.
MICHIGAN	The State pupil transportation appropriation is distributed to local school districts by means of a formula. The formula distinguishes vehicles used to transport special education pupils to special education programs, and vehicles used to transport general education pupils, including mainstreamed special education pupils. For special education transportation, the formula allocates funds on the basis of the number of qualified vehicles used. The largest proportion of the allocation is the per vehicles allowance, with allocations also made for the number of miles traveled and the number of pupils transported. For general education transportation, funds are allocated on the basis of the number of miles travelled, the number of pupils transported, and the number of vehicles used. There is provision also in both parts of the formula for contracted transporters and insurance premiums. $102,000,000 is appropriated for transportation in 1989-90.
MINNESOTA	Funding for regular to and from school transportation is computed using a cost prediction formula based on density and percent of students transported in contractor-owned vehicles. State aid equals the adjusted predicted cost per pupil transported, times the number of pupils transported, minus the amount raised by a tax levy of 1.90% of adjusted gross tax capacity. To be counted for the regular transportation category, elementary pupils (K-6) must reside more than one mile from school, and secondary pupils must reside more than two miles from school. Districts are permitted to make an unequalized levy to pay for the cost of transporting pupils who do not meet the distance requirements of the

STATE	TRANSPORTATION
MINNESOTA (Continued)	regular transportation category but are transported due to traffic hazards. Funding for nonregular transportation (e.g., handicapped, desegregation, during-day) is equal to 100% of actual cost. The state pays a percentage of this cost, and districts are permitted to make an equalized levy for the remaining cost.
MISSISSIPPI	Based on transported ADA and a density formula and rate table. The rate table provides greater amounts per pupil in districts with fewer pupils per square mile. 1988-89 minimum rate is $74.04; maximum rate is $229.08 per transported in ADA.
MISSOURI	Reimbursement is 80% of allowable costs of transporting eligible pupils. It is limited by each district's efficiency factor. Districts above a statewide maximum cost factor which is statistically developed from the cost per pupil mile verses miles per pupil per day (linear density) are adjusted downward, before multiplying by the 80%.
MONTANA	Shared by state, county and district by means of a statutory schedule of costs.
NEBRASKA	Districts receive an additional weighting of .25 for pupils who live more than four miles from schools. Reimbursement is only to districts that qualify for equalization aid.
NEVADA	There is a $165 per pupil transportation allowance included in the basic support guarantee.
NEW HAMPSHIRE	Sending district is reimbursed by state at $.08 per mile per pupil for vocational education pupils transported (to vocational education centers).
NEW JERSEY	State reimburses 90% of approved costs based upon costs for the second year preceding the budget year.
NEW MEXICO	Funded at 100% with categorical appropriation based on a transportation distribution formula to recognize the varied operating conditions and diversified factors throughout the state on an equitable basis. Thus, the safety of students is not compromised by local district funding priorities. Cost reports are required by statute and mid-year and end of year adjustments are made to fit actual need within the formula and appropriation.
NEW YORK	State aids 90% of approved transportation expenditures.

STATE	TRANSPORTATION
NORTH CAROLINA*	Local districts provide transportation services. State funds mechanics, drivers' wages and bus replacement by providing an amount per pupil and an amount per mile.
NORTH DAKOTA	State reimburses school districts based on daily mileage. Districts are reimbursed for vehicles transporting 10 or more pupils at a rate of $.68 per mile plus $.25 per day per transported pupil. Reimbursement for vehicles transporting nine pupils or less is at the rate of $.25 per mile each year for the 1987-89 biennium.
OHIO	State reimburses through foundation grant for partial costs of transporting handicapped pupils, elementary pupils and secondary pupils more than one mile from school based on the number of pupils, average daily miles and type of transportation (includes transportation of such pupils to nonpublic schools).
OKLAHOMA	Aid is based on per capita transportation allowance and the number of children transported. District allowance varies inversely with population density.
OREGON	Reimbursement for is approximately 55% of local district approved transportation costs for the school year. Partially suspended for 1989-90.
PENNSYLVANIA	Regular reimbursement is determined by multiplying approved costs of pupil transportation by the applicable aid ratio of the school district. Payments are also made for excessive cost to be determined by subtracting from approved costs the sum of the regular state reimbursement plus half mill times the district market valuation.
RHODE ISLAND	Reimbursement for any approved transportation expense is included as a factor in the general aid formula.
SOUTH CAROLINA	The state funds and monitors the entire transportation system. Local districts hire bus drivers subject to state certification. Salaries and training provided by the state.
SOUTH DAKOTA	Included in the state aid formula for regular and special education students.
TENNESSEE	Sixty percent of total state appropriation allocated to districts on per pupil transported 1-1/2 miles or more during the preceding year. Forty percent of state appropriation allocated according to a county-to-state ratio of geographical area in square miles.

STATE	TRANSPORTATION
TEXAS	Allowable costs for transportation are included in the foundation program according to a linear density formula. Districts are grouped by density and reimbursed by the average cost per mile within each group. Handicapped transportation is funded at actual cost per mile with a legislated maximum. Vocational transportation is funded at actual cost per mile. Private regular and handicapped transportation is funded at a rate under a legislated maximum.
UTAH	State appropriates 100% of approved transportation costs. A categorical amount for educational field trips is also provided.
VERMONT*	Expenditures by a school district for transportation reimbursed as a "supplemental aid" category with the State paying the same rate as the district's "state share." For the current (1987-88) year, a separate appropriation was included to fund a special "foundation factors study" to specifically recommend how the foundation cost should be adjusted to reflect the additional costs encountered by districts with a large road network in relation to its number of enrolled children, and how this factor should be measured.
VIRGINIA	State determines a prevailing per pupil cost for regular, special arrangement, public transportation (transit) system, and exclusive schedule pupil transportation programs. Also, the state determines the bus replacement cost based on a twelve-year replacement cycle. This cost is divided between the Basic Aid account and a separate Pupil Transportation account and is to be shared between state and local school divisions according to a locality's composite index of local ability to pay.
WASHINGTON	One hundred percent reimbursement of approved costs. Each school district electing to provide student transportation to and from school is entitled to state pupil transportation funding at the rate provided by the state. The allocation basis is "ridership," which means allocations to districts are based on the number of students eligible to ride who actually do ride buses. The allocation formula uses the following factors: • Number of pupils transported. • Distance weighting factors determined by distance from pickup location to school location (measured along a straight line between the two locations).

STATE	TRANSPORTATION
WASHINGTON (Continued)	• A minimum load factor for certain school districts which cannot achieve cost-effective bus operation due to reasons beyond their control. • Variable load factor ratios for bus routes that serve the handicapped. • A bus maintenance factor for small fleets (10 buses or less) that experience higher costs for maintaining school buses in safe operating condition. • Use of special types of transportation vehicles. • A standard cost rate. The 1989-90 rate for each weighted student unit is set at $28.62 for school districts with school bus fleet inventories of more than 10 buses. The small fleet factor for districts with 10 or less buses is an additional $1.53 for a total of $30.15 per weighted student unit.
WEST VIRGINIA	The state provides 80% of transportation cost within each county for maintenance and operation, related costs, exclusive of salaries. Ten year replacement of buses cycle.
WISCONSIN	State transportation aid is paid at the following rates per pupil per school year: 2-5 miles, $30; 5-8 miles, $45; 8-12 miles, $60; 12-15 miles, $68; 15-18 miles, $75; over 18 miles, $85. Hazardous-area transportation, 0-2 miles, $12. Lower amounts provided for less than full-year transportation.
WYOMING	Additional guarantee on Foundation (75% of actual expense) and for purchase of school buses (one-sixth actual cost for four years) and operation and maintenance of daily routes.

ASSISTANCE FOR SPECIAL STUDENT POPULATIONS

ASSISTANCE FOR SPECIAL STUDENT POPULATIONS

States generally include factors in their state financing formula to accommodate differences among school districts for special student populations. States report including factors for the following special student programs and services: (1) Special education, (2) Compensatory education, (3) Bilingual education, and (4) Gifted and talented education. Also, states report including a special factor for differences in the cost of educating students at different grade levels.

Essentially the inclusion of these factors in a state financing formula is based on the rationale that additional support is needed and justified for special student populations to accommodate the excess costs of providing supplemental programs and services for these populations. The main approaches used to allocate revenue for special student populations include weighting schemes, excess costs formula, flat grants or a combination of these approaches.

Weighting schemes provide funding based on the ratio of aid needed to provide programs and services for the special population to the cost of the regular program. A weight of 1.0 is assumed to be the cost of providing a regular education program. A weight of 1.5 therefore provides 50% more revenue to supplement the regular program for the special population student or classroom. The actual weights used by states for special populations and categories within them are reported in Appendices C-F.

Excess cost factors provide additional funding to special populations by reducing the cost of their educational programs/services by the amount provided for the regular education program. Usually limits on this amount, and/or the allowable amounts or percentages of support are specified. Also, some states provide a uniform amount of funding for special student populations by category. Others employ a combination of these approaches.

Importantly, students may be identified in different ways among states for funding purposes and provisions, which stipulate the use of the aid for the given special population, which also vary. Increasingly, states are recognizing the additional costs needed to educate special student populations, and a number of states have undertaken to equalize this amount by including it in their basic finance formula.

STATE	SPECIAL EDUCATION
ALABAMA*	Not available.
ALASKA	Exceptional and handicapped pupils are funded within foundation program. Also, state assists with high-cost severely impaired pupils on case-by-case basis under a separate appropriation.
ARIZONA	Funding is provided through 10 weighted categories.
ARKANSAS	Funding is provided through seven weighted categories.
CALIFORNIA	The Master Plan for Special Education provides funding for instructional personnel service units, support services and (where applicable) nonpublic, nonsectarian schooling sufficient to provide special education services for approximately 10% of the total student population.
COLORADO	Exceptional Children's Education Act provides funding for up to 80% of certain net costs of providing mandated special education services. Other revenues are subtracted in establishing net cost.
CONNECTICUT	State support is based on district wealth per capita. Aid ranges from 25% of reimbursable costs for the wealthiest districts to 70% of reimbursable costs in the poorest districts.
DELAWARE	Funding is provided through instructional units. Units for 12 categories are provided, ranging in size from four pupils per unit to 15 pupils per unit.
FLORIDA	Funding is provided through weights. Fifteen of the 52 weighted categories in the foundation program are for exceptional pupils.
GEORGIA	Funding is provided through four weighted categories for special education.
HAWAII*	Full state funding.
IDAHO	The foundation program provides 80% of the salaries of ancillary personnel (special education teachers, psychologists, psychological examiners, therapists and social workers).
ILLINOIS	Flat grant of $8,000 per certified special education employee and $2,800 per approved noncertified employee is provided. Excess costs for severely handicapped pupils in district-operated programs are provided up to a maximum of $2,000 greater than a district's regular pupils' per capita cost.
INDIANA	Thirteen weighted categories in foundation program.

STATE	SPECIAL EDUCATION
IOWA	Three weighted categories are provided for special education pupils.
KANSAS	State provides 80% of special education transportation costs; $17,000 in categorical aid per instructional unit is also provided. That amount is paid on all certificated special education units, while paraprofessionals are paid .4 or $6,800 per unit.
KENTUCKY	Extra classroom units are allotted per approved teacher, not to exceed the total provided in the biennial budget. For each unit allocated, 7.2 ADA deducted is from basic allocation.
LOUISIANA	Additional instructional personnel are provided for 20 program categories. This includes funding for assessment teachers, school psychologists, school social workers and other certified personnel.
MAINE	The total subsidizable funds for each LEA is calculated as all approved special education expenditures from state and local revenue sources two years prior to the year of funding, updated by a one-year inflation factor.
MARYLAND	Excess cost grants for handicapped pupils provided for costs exceeding three times support for regular pupils. Residential placements are fully funded by the state.
MASSACHUSETTS	Funding is based on six prototypes which are determined by the time out of the regular class.
MICHIGAN	Districts may be reimbursed for up to 75% of added costs for most programs subject to a capped appropriation; and 100% for certain programs.
MINNESOTA	Revenue for essential special education personnel equals 66% of salaries. State categorical aid is provided for 60% of the salary of essential personnel, not to exceed $16,727 per FTE staff person. A district may levy for the difference between the revenue and the amount of aid paid. State aid is also provided for supplies and equipment, teacher travel, contracted services, residential programs, special pupils, and summer programs. Supplies and equipment aid equals 47% of expenditures, not to exceed $47 per pupil. Teacher travel aid equals 50% of travel costs for teachers providing home-based services to handicapped children under five years of age and to their families. Contracted services aid equals 52% of the difference between the amount of the contract and general education basic revenue of the district for that pupil for the amount of time the pupils receives services under the contract. Residential facility aid equals the difference between the instructional

STATE	SPECIAL EDUCATION
MINNESOTA (Continued)	cost charged to the resident district and the basic general education revenue of the district for that pupil. Special pupil aid equals 100% of the cost of instruction and services minus basic general education revenue and other aid earned on behalf of the pupil. Summer programs support consists of the same formulas as applied to the previous regular school year. Similar funding is provided for vocational programs for handicapped children.
MISSISSIPPI	Instructional unit add-on for approved class.
MISSOURI	Reimbursement of $15,395 per approved instructional unit of special education, and $8,983 for approved classes of remedial reading.
MONTANA	Allowable costs associated with special education programs are fully reimbursed.
NEBRASKA	Gifted pupils receive an additional weighting of 25% of basic needs by grade level (districts qualifying for equalization aid).
NEVADA	For 1989-90, districts receive one unit of special education support ($25,200) for every 161 pupils enrolled in the district.
NEW HAMPSHIRE	Funding is provided through five weighted categories for special education.
NEW JERSEY	State aid is a cost factor times pupils (13 categories) times the state average net current expense per pupil.
NEW MEXICO	State aid is provided through four weighted categories included in the foundation program.
NEW YORK	Aid for special education pupils equals weighted resident pupils multiplied by district approved operating expense per pupil, but not less than $2,000 or more than $4,200. This is multiplied by the district's excess cost aid ratio. Aid is in addition to aid for operating expense.
NORTH CAROLINA*	State allocated aid for handicapped students on the lesser of June first headcount or 12.5% of total prior year ADM.
NORTH DAKOTA	Districts are reimbursed: the excess over 2.5 times the state average cost per pupil for students placed out-of-district for services; 60% of the excess student transportation costs; 80% of boarding care costs; and varying rates for staff and contracted services per fee schedule.

STATE	SPECIAL EDUCATION
OHIO	A flat grant of $8,023 per instructional unit plus salary (115% of state minimum salary schedule) is awarded for special education and $9,510 salary for vocational education units. $2,132 per unit plus 115% salary allowance awarded for special education support personnel and programs. Districts receive mileage or per pupil transportation grants. Partial cost reimbursement for home instruction, teacher training or special instructional services for physically or emotionally handicapped.
OKLAHOMA	State aid is provided for eleven weighted categories included in foundation program.
OREGON	Reimbursement up to 30% of excess cost or pro rata share (currently about 11%).
PENNSYLVANIA	One hundred percent of approved excess cost of pupils in district or intermediate unit operated special classes. Eighty percent of tuition and maintenance cost for pupils assigned to approved private schools for the physically, emotionally or mentally handicapped.
RHODE ISLAND	Formula for handicapped provides excess cost aid.
SOUTH CAROLINA	Handicapped children are weighted according to eight specific classifications.
SOUTH DAKOTA	Allocation based on a school district's $1.50/1000 taxable value. Each school district is entitled to 90% of this calculation. If appropriated state funds are not sufficient to provide the entitlement or exceed the amount required, each school district shall receive a pro rata share. During a two year tax freeze a school may not receive less than 100% of the previous year's aid.
TENNESSEE	Identified and served handicapped pupils receive additional weighting in determining pupil counts, which determine funding.
TEXAS	For the portion of the day students are served in approved programs, the adjusted allotment is multiplied by a weight varying from 2.0 to 7.11 depending on the instructional arrangement used. Fifteen weighted categories included in foundation program. In addition, districts receive $2,500 for each student placed in a partially self-contained classroom who was placed in a totally self-contained classroom for at least two-thirds of the prior year.
UTAH	Foundation program provides weighted categories for handicapped.

STATE	SPECIAL EDUCATION
VERMONT*	The state funds 75% of actual salaries of an approved number of mainstream special education positions. Also, 100% forward funding is provided for designated special education programs and residential placements with the district of legal residence reimbursing the state for actual costs or district's average per pupil costs, whichever is lower.
VIRGINIA	Additional state funds are provided for Special, Vocational, and Adult Education programs.
WASHINGTON	The special education formula is similar to the basic education formula, i.e., funding is provided for staff, state determined salary levels and nonemployee expenses. The funding is based upon a formula consisting of instructional, administrative and classified staff units. Handicapped pupil enrollment is divided into 14 categories based on handicapping condition, e.g., developmental, mental or orthopedic. Formula staff units vary by category and number of handicapped pupils.
WEST VIRGINIA	General aid formula weights special education pupils 3.0. Additional funds are provided for teaching personnel, facilities and transportation.
WISCONSIN	State reimburses 63% of approved costs for education and 100% of room and board for intradistrict transfer pupils and 51% for school psychologists and social workers.
WYOMING	Eighty-five percent of qualified Special Education expenditures are includable in each district's guarantee the year after expenditure.

STATE	COMPENSATORY EDUCATION
ALABAMA*	Does not apply.
ALASKA	Does not apply.
ARIZONA	Does not apply.
ARKANSAS	Beginning in the 1989-90 school year, the funding for Compensatory Education is $1,000,000 for every $8,000,000 increase in Minimum Foundation Aid or major proportionate increase thereof, up to $7,000,000 in 1989-90 and $8,000,000 thereafter.
CALIFORNIA	Based upon various measures of poverty, limited English proficiency and pupil transiency, funds are distributed for the marginal costs of both compensatory and bilingual education that are not funded by the revenue limit.
COLORADO	Language development preschool for at-risk three and four year old children is funded by the finance act.
CONNECTICUT	State support is based on district wealth per capita. Aid ranges from 25% of reimbursable costs for the wealthiest districts to 70% of reimbursable costs in the poorest districts.
DELAWARE	Basic skills instructional unit is provided on the basis of one unit per 530 pupils enrolled.
FLORIDA	An amount is distributed as categorical aid, based on the number of pupils in lowest quartile on statewide assessment tests.
GEORGIA	One weighted category for remedial education.
HAWAII*	Full state funding.
IDAHO	Does not apply.
ILLINOIS	A variable weighting from 0 to .625 is provided depending on the concentration of low-income, eligible pupils in the district relative to the state average concentration of 19.75%. A district with a 19.75% concentration has an additional weight of .53 per low income pupil. This weighted low income pupil count is added to the regular weighted pupil count in the state aid formula.
INDIANA	Does not apply.
IOWA	Does not apply.
KANSAS	Does not apply.

STATE	COMPENSATORY EDUCATION
KENTUCKY	Statute sets forth the criteria for the authorized public school remediation program, procedures for allotment of units, eligibility criteria for pupils to be served, program operation qualifications and job descriptions of personnel, requirements for housing of units, and requirements for program evaluation. State funding for a remedial classroom unit includes only a teacher's salary allotment and current operating expense allotment, equal to the rank and experience and current expense allotment stipulated in the biennial budget for foundation program units. State funding for an instructional assistant unit includes a salary allotment based on actual expenses not to exceed $8,000 annually. The standard for student needs to determine the number of teacher and instructional assistant units required to serve eligible pupils deficient in the skill areas of reading and mathematics, shall be performance at or below the third state percentile for the generation of a remediation teacher unit; and performance above the third state percentile, but at or below, the sixth state percentile for the generation of an instructional assistant unit.
LOUISIANA	A flat grant per pupil in need of remediation.
MAINE	No state funds are provided for this purpose.
MARYLAND	Twenty-five percent of the foundation amount per pupil eligible for Chapter 1 funds, with $70 per pupil and 25% of the difference between the current and 1985 funds dedicated to Chapter 1 eligible students.
MASSACHUSETTS	A pupil weight is provided for low income Chapter 1 eligibles. Competitive grants for schools are available for schools with low scores on standardized tests.
MICHIGAN	State aid provides up to $300 per eligible K-10 pupil as determined by state assessment.
MINNESOTA	School districts with AFDC student counts equal to at least 6% of weighted ADM receive compensatory revenue in the general education program. Compensatory revenue equals $2,838 times the number of AFDC pupil units. The number of pupil units per AFDC student varies with the concentration of AFDC students, from 0.1 for districts with AFDC counts between 6% and 7% of weighted ADM to 0.6 for districts with AFDC counts equal to at least 11% of weighted ADM.
MISSISSIPPI	Does not apply.

STATE	COMPENSATORY EDUCATION
MISSOURI	Enrolled AFDC and orphan students are weighted an extra .25 in the foundation portion of the formula for funding purposes.
MONTANA	Does not apply.
NEBRASKA	Culturally and educationally deprived pupils receive an additional weighting of 100% of basic needs, by grade level (only in districts that qualify for equalization aid).
NEVADA	Does not apply.
NEW HAMPSHIRE	Does not apply.
NEW JERSEY	Cost factor times pupils times state average net current expense per pupil.
NEW MEXICO	Does not apply.
NEW YORK	Pupils scoring below minimum competence on a statewide test are weighted an additional .25. Attendance improvement dropout prevention aid is provided to districts with low attendance ratios ($216.65 times pupils for attendance improvement).
NORTH CAROLINA*	Sixty percent of state remediation funds are provided based on all failures from the high school competency test. The remaining 40% of state remediation funds are allotted based on the number of students scoring below the 35th percentile on the 8th grade CAT tests. A summer program provides for pupils, who scored on or below the 25th percentile of CAT.
NORTH DAKOTA	Does not apply.
OHIO	Disadvantaged pupil impact aid is based on concentration of AFDC pupils and district total ADM (minimum 5% or 50 AFDC pupils). Disadvantaged pupil program funds is based on the number of AFDC pupils in state-approved compensatory education programs in the district (minimum 5% or 50 AFDC pupils).
OKLAHOMA	Economically disadvantaged pupils are weighted .25 in the power equalizing formula.
OREGON	$1 million is provided in disadvantaged funds to Portland School District only.

STATE	COMPENSATORY EDUCATION
PENNSYLVANIA	School districts in which 8% of ADM pupils are members of families receiving AFDC payments of $2,000 or more per year receive a supplement ranging from $140-$629 per AFDC pupil based on the concentration of AFDC pupils in the district. Students identified via a statewide testing program (TELLS) as needing remediation in mathematics and/or reading are provided this instruction. The reimbursement is calculated on the basis of the cases identified.
RHODE ISLAND	Ratio of Title 1 entitlement in district to statewide total times $2 million.
SOUTH CAROLINA	Two weighted categories for compensatory and remedial pupils provide additional state aid.
SOUTH DAKOTA	Does not apply.
TENNESSEE	Does not apply.
TEXAS	Funding is provided for 20% of the adjusted allotment per pupil eligible to receive free or reduced price lunches under the National School Lunch Program.
UTAH	Based on the ratio of district's disadvantaged pupils (AFDC, etc.) to statewide total.
VERMONT*	The proportion of students determined to be economically disadvantaged is weighted an additional 15% when calculating the district's total foundation cost.
VIRGINIA	State provides additional payment to support the cost of nine instructional positions per 1,000 students who score in the bottom national quartile on the Virginia State Assessment Program Test or who fail the state's literacy test. This cost is to be shared between the state and local school divisions according to a locality's composite index of local ability to pay.
WASHINGTON	A learning assistance program is available to students identified as deficient in basic skills. Allocations are based on the number of students in grades K-9 scoring in the lowest quartile over five years on a statewide standardized achievement test. Learning disabled students served in special education are then subtracted. The funding rate for the 1989-90 school year is $406.23.
WEST VIRGINIA	Does not apply.
WISCONSIN	Does not apply.

STATE	COMPENSATORY EDUCATION
WYOMING	Districts may apply for Compensatory Education grants to serve students in need of remedial assistance. However, these grants are supplementary in nature and may not be used to duplicate or supplant other state or federal programs for handicapped or special education assistance.

STATE	BILINGUAL EDUCATION
ALABAMA*	Does not apply.
ALASKA	Approved bilingual programs are funded within the foundation program.
ARIZONA	Weight included in block grant calculations to provide additional funds.
ARKANSAS	Does not apply.
CALIFORNIA	See "Compensatory Education."
COLORADO	English Language Proficiency Act provides funding to build English proficiency for pupils of Limited English Proficiency (LEP).
CONNECTICUT	Each district is entitled to receive a portion of the total amount appropriated according to the ratio of the number of eligible pupils in the district as compared to the total number of eligible pupils in the state.
DELAWARE	Does not apply.
FLORIDA	English as a Second Language (ESOL) programs are funded within the foundation formula with program weights as follows: ESOL K-3 1.734 ESOL 4-8 1.727 ESOL 9-12 1.692
GEORGIA	Grants based on need.
HAWAII*	Full state funding.
IDAHO	Does not apply.
ILLINOIS	Excess cost for approved programs. In 1989-90, funds are authorized for approximately 150 programs.
INDIANA	Does not apply.
IOWA	In order to provide funds for the excess costs of language instruction of non-English speaking students above the costs of instruction of pupils in a regular curriculum, students identified as non-English speaking will be assigned an additional weighting of two-tenths and that weighting shall be included in the weighted enrollment of the school district for a period not exceeding three years. The amount each eligible school district will receive will be based on the number of non-English speaking students submitted each September. The school budget review committee may grant supplemental aid or modified allowable growth to a school district

STATE	BILINGUAL EDUCATION
IOWA (Continued)	to continue funding a program for students after the expiration of the three year period.
KANSAS	State aid is based on $150 per pupil for approved programs.
KENTUCKY	Does not apply.
LOUISIANA	Base salary and salary increments for certified second language specialists in elementary grades are provided. Foreign associate teachers' expenses, including salary, transportation, insurance and other related costs are provided as part of the Minimum Foundation Instructional Program.
MAINE	No state funds are provided for this purpose.
MARYLAND	Does not apply.
MASSACHUSETTS	A pupil weight is included in the foundation program.
MICHIGAN	The state provides reimbursements to districts on a per pupil basis based on the number of Limited English Speaking Pupils in membership.
MINNESOTA	Revenue for limited English proficiency programs equals 61% of the salary of one FTE teacher for each 45 students of limited English proficiency (LEP), with a guarantee of a half teacher in districts with fewer than 22 LEP pupils. State categorical aid is limited to $17,000 for each full-time equivalent teacher. A district may levy for the difference between the revenue and the amount of state aid paid.
MISSISSIPPI	Does not apply.
MISSOURI	Does not apply.
MONTANA	Does not apply.
NEBRASKA	Does not apply.
NEVADA	Does not apply.
NEW HAMPSHIRE	Does not apply.
NEW JERSEY	Cost factor times (.23) pupils times state average net current expense per pupil.
NEW MEXICO	Full-time equivalent pupils weighted .3 in state aid formula.

STATE	BILINGUAL EDUCATION
NEW YORK	Grants from department of education. Limited English Proficiency pupil weighted an additional .12 in state aid formula.
NORTH CAROLINA*	Does not apply.
NORTH DAKOTA	Does not apply.
OHIO	Does not apply.
OKLAHOMA	Weighted at .25 in the foundation program.
OREGON	Does not apply.
PENNSYLVANIA	Does not apply.
RHODE ISLAND	Incentive program for bilingual pupils provides approximately $1.0 million in reimbursements.
SOUTH CAROLINA	Does not apply.
SOUTH DAKOTA	Does not apply.
TENNESSEE	Does not apply.
TEXAS	State aid is 10% of the adjusted allotment per pupil enrolled in a bilingual or special language program.
UTAH	Categorical appropriation is distributed proportionately according to the number of pupils with bilingual needs.
VERMONT*	Does not apply.
VIRGINIA	Does not apply.
WASHINGTON	A transitional bilingual program provides funds to school districts to implement bilingual education programs. Allocations are based upon the headcount of pupils served in the program. The funding rate for the 1989-90 school year is $472.00 per pupil.
WEST VIRGINIA	$75,000 State Level Funding Only is provided.
WISCONSIN	State reimburses 63% of approved costs.
WYOMING	Does not apply.

STATE	GIFTED AND TALENTED EDUCATION
ALABAMA*	Does not apply.
ALASKA	Pupils receiving services are counted and funded within foundation program.
ARIZONA	Weight included in block grant calculation. In addition, $1 million was appropriated in 1989-90 for categorical grants for gifted.
ARKANSAS	An additional weight of .25 is provided for gifted and talented pupils.
CALIFORNIA	Funding is determined by school district size and whether the Gifted and Talented Education (GATE) program is new or continuing. New and continuing small programs (50 pupils or less) receive a legislated allowance per pupil per semester. New programs serving more than 50 pupils receive an allowance equal to one-half the prior year's statewide average allowance per pupil in average daily attendance (ADA) times the school district's prior year ADA. Continuing programs serving more than 50 pupils receive an allowance determined by one of the following formulas: 1. School districts with prior year allowances per ADA below the statewide average receive 170% of their prior year allowance up to the statewide average allowance per ADA times their prior year ADA. 2. School districts with prior year allowances per ADA above the statewide average receive 95% of their prior year allowance per ADA times their prior year ADA. 3. Remaining school districts receive the statewide average allowance per ADA times their prior year ADA.
COLORADO	Statutory provisions exist but no appropriations were made in recent years.
CONNECTICUT	Does not apply.
DELAWARE	Gifted and Talented Unit -- one unit for each 1,200 pupils enrolled inclusive of handicapped pupils.
FLORIDA	A gifted category is included in the program weights for exceptional student programs. The weight for 1989-90 is 1.992.
GEORGIA	One category is included for gifted education.
HAWAII*	Does not apply.

STATE

GIFTED AND TALENTED EDUCATION

IDAHO

The ADA of gifted and talented students is included in the total ADA of the Exceptional Child program and earns Support Units.

ILLINOIS

Does not apply.

INDIANA

The state encourages districts to develop and implement Gifted and Talented programs by: allocating funds for planning and development and coordinating support services designed to enhance the quality and longevity of the program.

IOWA

Iowa does not provide state money to fund gifted education programs, but does allow districts to generate additional property tax revenue for gifted education if the district's program is approved by the Department of Education. During 1989-90, about 75% of Iowa public schools used the state-approval method of funding. Applications for the 1990-91 school year indicate the number of districts wishing to fund their programs by this method has increased. Approximately 85% of Iowa districts will participate in 1990-91, generating a total of $14.2 million in program support dollars.

KANSAS

Does not apply. Paid under the special education reimbursement schedule.

KENTUCKY

The Kentucky Department of Education awards gifted education funding to school districts on the bases of grant units. A grant unit is defined as serving 75 gifted students for one full day per week. The equivalent of the same ratio of pupil-teacher contact time (i.e., serving more students for less time or less students for more time) is acceptable, but the equivalency formula must be clearly spelled out in the grant application.

The maximum number of grant units for which a district is eligible is based on the total school district enrollment as determined in 1981. Because of budgetary constraints, these allotments have not been revised. That formula is:

Enrollment	No. of Units
5,800 and up	3
5,799 to 2,750	2
2,749 to 750	1
749 and below	5

LOUISIANA

A small portion of a predetermined set amount is provided by the Minimum Foundation Support Services Program.

STATE	GIFTED AND TALENTED EDUCATION
MAINE	Costs for approved gifted and talented education are part of the subsidizable special education costs.
MARYLAND	State funds are used to support 2,600 students in Maryland's Gifted and Talented Summer Center Programs.
MASSACHUSETTS	Does not apply.
MICHIGAN	Gifted and talented: School districts and consortiums of districts may receive up to $100 per pupil for up to 5% of districts' or consortiums' pupils in membership. A minimum grant of $6,000 is provided to low membership districts and consortiums.
MINNESOTA	Does not apply.
MISSISSIPPI	Does not apply.
MISSOURI	Does not apply.
MONTANA	Legislature provided $100,000 for a state grant distribution to school districts for Gifted and Talented Programs in 1989-90.
NEBRASKA	Does not apply.
NEVADA	Does not apply.
NEW HAMPSHIRE	Does not apply.
NEW JERSEY	Does not apply.
NEW MEXICO	See Special Education Programs.
NEW YORK	All districts receive 3% times ADA times $196 to support gifted and talented programs. Districts receive aid for handicapped pupils (including those placed in private handicapped programs by the district) under excess cost aid formulas that use aid ratios based on property and income wealth. Expenses reimbursed are subject to various maximums.
NORTH CAROLINA*	State allocated aid for the academically gifted allotment is based on the lesser of June headcount or 3.9% of total ADM and then weighted 3:1.
NORTH DAKOTA	Does not apply.
OHIO	A flat grant of $2,678 per approved unit is provided plus 115% salary allowance awarded for gifted education support personnel and programs.

STATE	GIFTED AND TALENTED EDUCATION
OKLAHOMA	Weighted at .34 in the foundation program.
OREGON	Does not apply.
PENNSYLVANIA	One hundred percent of approved excess costs of gifted pupils with an individualized education program in district or intermediate unit operated gifted classes is provided.
RHODE ISLAND	Competitive grants for gifted and talented total $500,000.
SOUTH CAROLINA	State aid is provided for gifted and talented students.
SOUTH DAKOTA	Allocation based on expenditures, each school district shall receive a pro rated share of the appropriated funds not to exceed 50% of the expenditures.
TENNESSEE	Approximately 800 juniors and seniors who have exceptional abilities and talents are selected to attend summer residential programs called "Governor's Schools."
TEXAS	Gifted and Talented is weighted at 1.047 of the adjusted allotment per student. Allocation is capped at 5%, ADA. Also, vocational education is weighted at 1.45 per FTE in ADA.
UTAH	A categorical appropriation is provided for gifted pupils.
VERMONT*	Does not apply.
VIRGINIA	State provides additional payment for Gifted Education to support the cost of one instructional position per 1,000 students. This cost is to be shared between the state and local school divisions according to a locality's composite index of local ability to pay.
WASHINGTON	A program for highly capable students is funded in an amount equal to 1% of the school district enrollment multiplied by $375.67.
WEST VIRGINIA	See "Special Education." Gifted is counted and funded under special education. Talented is not a special education category in West Virginia.
WISCONSIN	A 3.25 weight is provided for intradistrict integration transfers.
WYOMING	Districts receive a grant upon application, which provide funds of up to $150 per student, to a maximum of 3% of the school-age population. Each district receiving Gifted and Talented funds must match its state grant with an equal amount of local funds.

STATE **GRADE LEVEL DIFFERENCES**

ALABAMA*

An additional instructional unit is allocated for kindergarten and grades 1-6. Each unit earns salary allotment, other current expense allotment and support for capital outlay as provided in the foundation program.

ALASKA

Does not apply.

ARIZONA

Grade	Weight
K-3	1.198
4-8	1.158
9-12	1.268

ARKANSAS

Does not apply.

CALIFORNIA

1989-90 cost-of-living adjustment varies by district type with elementary districts receiving $123 per ADA, high school districts receiving $151 per ADA and unified districts receiving $130 per ADA.

COLORADO

All kindergarten and preschool pupils are funded as half-time programs. Expenditures at each PK-12 grade level may be more or less than the funding generated by the finance act.

CONNECTICUT

Does not apply.

DELAWARE

Grade	Per Instructional Unit
K	40 Pupils
1-3	19 Pupils
4-6	20 Pupils
7-12	20 Pupils

FLORIDA

Grade	Weight
K-3	1.048
4-8	1.000
9-12	1.186

GEORGIA

Grade	Weight
K	1.329
1-3	1.237
4-8	1.000
9-12	0.996

HAWAII*

Does not apply.

STATE	GRADE LEVEL DIFFERENCES	
IDAHO	Instructional (Support) units vary according to grade levels: Kindergarten, Elementary (1-6); Secondary (7-12); Special Education; and Alternative Programs.	
ILLINOIS	Grade	Weight
	Pre K-6	1.00
	7-8	1.05
	9-12	1.25
INDIANA	Does not apply.	
IOWA	Does not apply.	
KANSAS	Does not apply.	
KENTUCKY	Grade	Per Instructional Unit
	K (2 sessions per day)	25 ADA (per session)
	1	25 ADA
	2-3	22 ADA
	4	25 ADA
	5-6	26 ADA
	7-12	27 ADA
LOUISIANA	An additional allotment increasing the number of teachers in grades K-3 to comply with a 20 to 1 ratio is provided in the Minimum Foundation Instructional Program. The ratio for grades 4-12 is 25 to 1.	
MAINE	The total subsidizable funds for each LEA for operating costs (that is, excluding categorical funding and debt service) is computed by multiplying the number of elementary or secondary pupils by the corresponding elementary or secondary statewide per pupil cost, calculated as the total statewide operating cost expenditures for elementary (or secondary) pupils two years prior to the year of funding, divided by the number of elementary (or secondary) pupils, and then increased by a one-year inflationary factor.	
MARYLAND	Does not apply.	
MASSACHUSETTS	Special grants are provided for low spending districts dependent on the grade level.	

STATE — **GRADE LEVEL DIFFERENCES**

MICHIGAN

Does not apply.

MINNESOTA

Pupil weighting factors used in general education program:

Kindergarten	0.5
Grades 1-6	1.0
Grades 7-12	1.35

MISSISSIPPI

Grade	One Instructional Unit For
K	24 pupils in ADA
1-4	24 pupils in ADA
5-12	27 pupils in ADA

One additional unit is granted for each approved program in special education; half additional unit is granted for each approved program in vocational education.

MISSOURI

Does not apply.

MONTANA

See "Description of Formula."

NEBRASKA

Grade	Weight
K	0.5
1-6	1.0
7-8	1.2
9-12	1.4

NEVADA

Kindergarten pupils weighted 0.6; all other pupils weighted 1.0.

NEW HAMPSHIRE

Foundation guarantee per pupil varies by grade level.

NEW JERSEY

Does not apply.

NEW MEXICO

Grade	Weight
K (FTE)	1.30
1-3	1.10
4-6	1.00
7-12	1.25

NEW YORK

Secondary pupils are weighted 1.25.

STATE	GRADE LEVEL DIFFERENCES	
NORTH CAROLINA*	Grade	One Teacher Position For
	K-9	26 Pupils
	10-12	30 Pupils
NORTH DAKOTA	Grade	Weight
	K	0.50
	1-6	0.9025 - 1.29
	7-8	1.005 - 1.01
	9-12	1.17 - 1.635
OHIO	Does not apply.	
OKLAHOMA	Grade	Weight
	K	1.3
	1-2	1.351
	3	1.051
	4-6	1.0
	7-12	1.2
OREGON	Does not apply.	
PENNSYLVANIA	Grade	Weight
	Kindergarten (half-day)	0.5
	Elementary	1.0
	Secondary	1.36
RHODE ISLAND	Does not apply.	
SOUTH CAROLINA	Grade	Weight
	K*	1.30
	1-3	1.24
	4-8	1.00
	9-12	1.25
	9-12	1.29** (Vocational)

* Kindergarten is funded at 0.5 FTE (weight of 0.65) for one-half day sessions.

STATE	GRADE LEVEL DIFFERENCES
SOUTH CAROLINA *(Continued)*	** If a vocational pupil is served in another classification (Graded or *Handicapped), the pupil will be counted as vocational*, unless served in a handicapped classification; in which case the pupil will be counted under the handicapped classification.
SOUTH DAKOTA	Does not apply.
TENNESSEE	**Grade** — **Weight** K-3 — 1.287 4 — 1.137 5-6 — 1.037 7-8 — 1.137 9 — 1.261 10-12 — 1.371
TEXAS	Does not apply.
UTAH	Does not apply.
VERMONT*	**Grade** — **Weight** Elementary (PK-6) — 1.0 Secondary (7-12) — 1.25 A financial incentive is given to districts that maintain kindergarten and preschool programs at a minimum number of hours per week by counting those students as a full ADM.
VIRGINIA	Does not apply.
WASHINGTON	Five additional instructional units are provided per 1,000 (K-3) students in the basic education formula.
WEST VIRGINIA	Does not apply.
WISCONSIN	Does not apply.
WYOMING	The schedule for computing allowable instructional units varies by grade level and enrollment within school.

STATE CONSTITUTIONAL AND STATUTORY REQUIREMENTS RELATED TO SCHOOL FINANCE

STATE CONSTITUTIONAL AND STATUTORY REQUIREMENTS RELATED TO SCHOOL FINANCE

This section reports on: (1) State mandates restricting revenue or expenditure increases, (2) Property assessment ratios and legal standards for property assessment, (3) The measure of local ability to support schools, and (4) School district budget and tax rate procedures and sources of local revenue.

A large amount of variation across the states exists in mandates restricting revenue or expenditure increases. Some states require a majority vote when local revenues for the schools are increased. This may or may not be binding. Likewise, some states require voter approval of the local school budget by either the local school board (for independent school districts) or the local government body (for dependent school districts). In addition, when school budgets or taxes increase beyond a specified percentage or amount, some states allow a rollback election; others restrict the annual increase that is allowed.

In most states local revenue is raised through the property tax. Property taxes are increasingly based on the full market value of residential property. Some states use fractionalized values for all or some classifications of property. In these cases, assessment is based on a percentage (fraction) of the full cost of the property on the open market. Even when full assessed valuation of a property is used for assessment purposes, some states also equalize variations in assessment practices among jurisdictions at the state level.

The local ability to support education is generally determined by a school district's total property tax base. This is referred to as a school district's fiscal capacity or wealth. Importantly, local fiscal capacity based on property is being augmented in several states by either income taxes and/or the local ability to raise other additional revenues, such as sales taxes.

Sources of local revenue for education can be based solely on the yield of the property tax or on all local revenues that can be devoted to schools. In fiscally dependent school districts -- those systems that depend on other governmental bodies for the approval of district budgets and for school revenues -- the range of local revenue sources is generally broader than in independent school districts and can include virtually all funds accruing to the local governmental body, i.e., town, city, county.

STATE	STATE MANDATES RESTRICTING REVENUE OR EXPENDITURE INCREASES
ALABAMA*	A combined state and local levy of more than 12.5 mills requires a constitutional amendment, legislative approval and a local vote.
ALASKA	Foundation program caps local contribution to the equivalent of two, mills of full assessed values or 35% of prior year basic need, whichever is more. Local contributions are capped to assure state compliance with the federal Impact Aid disparity test.
ARIZONA	The Gross National Product (GNP) Price Deflator is growth factor for increases in the base level or the foundation grant. Maximum budget limits for maintenance and operations may be increased by 10-15% by voter approval, property sale and/or lease, and may be approved by voters for one, two, or seven years. Budgets for districts with a student count of 125 for 9-12, or 100 or less for K-8 are unlimited.
ARKANSAS	Does not apply.
CALIFORNIA	Local property tax rates are limited by the Constitution to 1% of fair market value. The Constitution also limits annual expenditure increases for both the state and local agencies.
COLORADO	There are no limits on expenditure increases. Revenue increases and decreases from the sum of state equalization and general fund property taxes is controlled and varies with whether a district is phasing up or down to the formula funding amount. Other revenues from local, state, county and federal sources are not controlled.
CONNECTICUT	Does not apply.
DELAWARE	Does not apply.
FLORIDA	See district budget and tax rate procedures.
GEORGIA	Does not apply.
HAWAII*	A constitutional amendment limits state spending to economic growth in personal income.
IDAHO	Districts subscribe to one of three revenue limits, whichever provides the greater increase; property tax revenues in 1979, 1980 or the year preceding the current tax year may be increased by a growth factor not to exceed 5%. Tax revenues in each of the above years may be increased by a growth factor determined by applying the current year tax in assessed value over the prior year's tax base.

STATE	STATE MANDATES RESTRICTING REVENUE OR EXPENDITURE INCREASES
ILLINOIS	Truth-in-Taxation law requires a district to notify their voters when the current levy exceeds the prior year extension by 5% or more.
INDIANA	Districts are generally limited to a revenue increase no greater than 8%.
IOWA	Increase in the budget per pupil is limited by a state growth factor determined by the Department of Management.
KANSAS	General fund budget increase is limited to 102%-104.5% for the 1989-90 school year. The limitation of individual schools is determined by their budget per pupil relationship to the median budget per pupil for schools in their enrollment category. Schools spending more than the median would be limited to a 2% increase. Schools spending less than the median would fall between 2% and 4.5% depending upon how far below the median they fall. Additional authority may be obtained by the following methods: 1. Budget appeal process for special programs. 2. Additional 1% subject to a protest petition election provision. 3. Unused budget authority (cannot exceed 2.5% or actual amount available). 4. Special authority for substantial increases due to social security, utilities and insurance.
KENTUCKY	Revenue from property taxation may not exceed the revenue that the maximum rate would have produced the year before. Exceptions are new property and an allowable tax increase that does not produce revenues in excess of 4% of the prior year property tax revenues, except to provide a $.25 equivalent tax rate for power equalization.
LOUISIANA	Does not apply.
MAINE	Does not apply.
MARYLAND	Does not apply.
MASSACHUSETTS	Proposition 2-1/2 limits local property taxes to a half percent of market value and limits increases in property taxes to 2.5% over the previous year.

STATE	STATE MANDATES RESTRICTING REVENUE OR EXPENDITURE INCREASES
MICHIGAN	Proposition E (Headlee Amendment) requires school districts to roll back tax rates if the revenues generated over the previous year exceed the inflation rate as measured by the national Consumer Price Index.
MINNESOTA	State sets limits on property tax levies. Districts may levy beyond the limitation as permitted by referendum. Bonding limit is 10% of the total market value of property.
MISSISSIPPI	Does not apply.
MISSOURI	Increases in per pupil state aid are limited to 25% of the difference between the aid calculation and the previous year's aid. Local levy must be rolled back if assessed valuation increased by a percentage greater than the CPI, excluding new construction.
MONTANA	Maximum nonvoted budget equal to 125% of foundation program.
NEBRASKA	Does not apply.
NEVADA	Does not apply.
NEW HAMPSHIRE	Does not apply.
NEW JERSEY	Ceiling on percentage increase allowed for adjusted net current expense budget per pupil expenditures for districts below and above state average expenditure levels per pupil; waiver can be obtained with commissioner approval.
NEW MEXICO	Does not apply.
NEW YORK	Does not apply.
NORTH CAROLINA*	Does not apply.
NORTH DAKOTA	Does not apply.
OHIO	All voted continuing levies on real property are subject to a tax reduction factor so that tax collections do not increase as a result of reassessment. However, a 20 mill floor limits the tax reduction factor so that at least 2% of assessed value is charged for school operation.
OKLAHOMA	Does not apply.

STATE	STATE MANDATES RESTRICTING REVENUE OR EXPENDITURE INCREASES
OREGON	Except for approved small schools, increases in approved cost of the basic education program per pupil are limited to 109% of the approved cost for the preceding year or the percentage rate of increase in the Consumer Price Index, whichever is less.
PENNSYLVANIA	For 1989-90, no district will receive less than a 2% increase over the 1988-89 school year.
RHODE ISLAND	Minimum of 8% annual growth or percent of growth in general operations aid and in excess cost aid for handicapped.
SOUTH CAROLINA	Does not apply.
SOUTH DAKOTA	Does not apply.
TENNESSEE	Does not apply.
TEXAS	Initiative and referendum provision providing that districts that adopt a tax rate that exceeds the effective tax rate by 3% are required to post public notice and hearing requirements and that districts that adopt a tax rate that exceeds the effective tax rate by more than 8% are subject to rollback election provisions.
UTAH	Does not apply.
VERMONT*	Does not apply.
VIRGINIA	Does not apply.
WASHINGTON	Local levies generally may not exceed 20% of the previous year's levy base. The levy base consists of most state and federal funding for K-12 education. Districts previously above 20% may continue to have levies above 20%, but this percent must be reduced by levy reduction funds provided by the state. The state provides additional funding to school districts with above average tax rates. The funding is intended to reduce district tax rates to the state average for 10% of their levy base (provided they pass a levy).
WEST VIRGINIA	Annual increase in the number of service personnel under the foundation program is limited to 20% of the difference between the prior year and 34 service personnel per 1,000 pupils, except that in no case shall the limit be fewer than two service personnel.

STATE	STATE MANDATES RESTRICTING REVENUE OR EXPENDITURE INCREASES
WEST VIRGINIA (Continued)	Annual increase in the number of professional educators is limited to 20% of the potential increase except that in no case shall such a limit be fewer than five.
WISCONSIN	Does not apply.
WYOMING	Optional additional four mill levies are permissible.

STATE	PROPERTY ASSESSMENT RATIOS USED/LEGAL STANDARDS FOR PROPERTY ASSESSMENT
ALABAMA*	Class 1 -- utilities used in business, 30%; Class 2 -- property not otherwise classified, 20%; Class 3 -- agriculture, forest and residential, 10%; Class 4 -- private passenger autos and pickup trucks, 15%.
ALASKA	Full and true value of real and personal property, and property used for gas and unrefined oil production and transportation.
ARIZONA	The following percentages of full cash value apply. Class 1, mines and timber, 30%; Class 2, telephones, gas and utilities, 30%; Class 3, commercial and industrial, 25%; Class 4, agriculture and vacant land, 16%; Class 5, residential, 10%; Class 6, residential rental property, 15%; Class 7, railroads, 23%; Class 8, historic property, 5%; Class C, producing oil and gas company property, 100%.
ARKANSAS	Twenty percent of true and full value. Reappraisals are required when ratio is outside 18% to 22%.
CALIFORNIA	The constitution limits the maximum amount of any ad valorem tax on real property to 1% of full cash value as assessed in 1989-90. Assessed values were established in 1975 and may increase by the CPI to a maximum of 2% annually, except when property changes ownership or is newly constructed, at which time the assessment is brought up to current levels.
COLORADO	Residential property is assessed at 15% of market value established during the 18 months preceding June 30, 1988. Commercial and industrial property are assessed at 29% of market value established during the same 18 month period. Other classes of property are assessed on the basis of the value of production and/or value of capital improvements.
CONNECTICUT	Assessment ratios used may not exceed 100% of true and actual or fair market value.
DELAWARE	Assessment ranges from 50% to 100% of actual value, by county, at the time of assessment.
FLORIDA	State average assessment is at 97.0% true value. Variance from this average is used to adjust RLE millage rates.
GEORGIA	Forty percent of fair market value, less statewide exemptions and an adjustment factor for elderly, is used.
HAWAII*	Does not apply.

STATE	PROPERTY ASSESSMENT RATIOS USED/LEGAL STANDARDS FOR PROPERTY ASSESSMENT
IDAHO	Property is assessed at a "true" market value.
ILLINOIS	Thirty-three and three-tenths percent of market value is used. Counties with 200,000 or more population may elect to establish property classification and differential tax rates that average 33.3% of market value in the aggregate. County level assessed valuations are equalized across counties by the use of a multiplier factor imposed by state government. Farmland property is taxed on the basis of productivity.
INDIANA	By statute all real property is to be assessed at 33.3% of cash or fair market value.
IOWA	One hundred percent of true value is used.
KANSAS	Thirty percent of fair market value for the 1988-1989 valuation and classification of property.
KENTUCKY	Fair cash value is used.
LOUISIANA	Property assessment ratios are used. Each parish authority sets the assessment level at 100% of value. Assessment level is 10% for Improved Land for Homesteads, 10% for Land and 15% for Utilities and Other Property.
MAINE	Each municipality is responsible for annually assessing its property, either by individually assessing parcels of property or by increasing the prior year's assessment of each parcel by some common factor. The sum of the resulting assessments are required to be no less than 70% of the just value of, or full market value of, this combined property. Each municipality's valuation posed in the school funding is first equalized to estimate full market value of the property in the municipality.
MARYLAND	Full cash value is used.
MASSACHUSETTS	Residential property is assessed at the local level for cities and towns.
MICHIGAN	Cash value is used.
MINNESOTA	County assessor determines the market value of property. Class rates are specified in law for various types of property (e.g., the class rate for residential homestead property is 2.17% for the first $68,000 of market value; 2.5% for value between $68,000 and $100,000; and 3.3% for value over $100,000. The class rate for commercial and industrial property is

STATE	PROPERTY ASSESSMENT RATIOS USED/LEGAL STANDARDS FOR PROPERTY ASSESSMENT
MINNESOTA (Continued)	3.3% for the first $100,000 of market value and 5.25% for value over $100,000). Market values are multiplied by the appropriate class rates to determine a gross tax capacity. Sales ratio studies are used to review the accuracy of market values. Adjusted gross tax capacities, reflecting the results of the sales ratio study, are used in computing the school district levy limitations.
MISSISSIPPI	A multiclass property assessment system with the lowest ratios for farm homesteads; the highest ratios for industrial, mining and commercial property, is used. There is some progression in assessment ratios within property classes.
MISSOURI	Varying ratios depending on property classification, i.e., personal property, 33.33%; commercial real property, 32%; residential real property, 19%; agricultural real property, 12.4% of production and a factor is used (not of sale value).
MONTANA	Assessed valuation of major revenue sources: realty and mobile homes, 3.86%; electric and telephone cooperatives, 3%; public utilities, 12%; strip mined coal, 45%; metal mines, 3%.
NEBRASKA	One hundred percent of actual value is used.
NEVADA	Thirty-five percent of taxable value is used.
NEW HAMPSHIRE	Assessed valuation.
NEW JERSEY	Taxable value is the percentage of true value as established by county board of taxation.
NEW MEXICO	Taxable value is not to exceed 33.3% of true value.
NEW YORK	Full value at 100% assessment is used.
NORTH CAROLINA*	True value in money is used. Reassessments run on an eight-year cycle.
NORTH DAKOTA	Fifty percent of true and full value, adjusted by a factor of 7.5% to 10% depending upon the classification of the property.
OHIO	Real property is assessed at 35% of the true value in money; public utility personal property -- 100% of true value; general personal tangible property -- 29% of true value in 1989 reduced by 1% each year until it reaches 25% in 1993.

STATE	PROPERTY ASSESSMENT RATIOS USED/LEGAL STANDARDS FOR PROPERTY ASSESSMENT
OKLAHOMA	Not greater than 35% of fair cash value for the highest and best use for which such property was actually used.
OREGON	Property is valued at 100% of true cash value. For assessment purposes, values are reduced by a ratio for each property class so that no class can increase more than 5% annually. This ratio is recalculated each year.
PENNSYLVANIA	Varies with each county. Rates range from 8% to 100% as of June 30, 1987.
RHODE ISLAND	Full and fair cash value or a uniform percentage not exceeding 100% within a statewide cap of 5.5% on each municipality's tax levy.
SOUTH CAROLINA	Industrial property is assessed at 10.5%; commercial at 6%; residential at 4%; timber and forest corporation owned at 6%; personal property, except farm machinery at 10.5%.
SOUTH DAKOTA	Assessment ratios are set locally; taxable property cannot exceed 60% of full and true value.
TENNESSEE	Ratios are: Public utilities, 55%; industrial and commercial, 40%; and farm and residential, 25%.
TEXAS	True and full value in money is used.
UTAH	Ratio is 20% of reasonable fair cash value and 15% for primary residence.
VERMONT*	Property is to be assessed at 100% of fair market value. A sliding scale penalty is deducted from state aid payments for districts in which total local valuation is not within 80% of fair market value.
VIRGINIA	Fair market value is used.
WASHINGTON	One hundred percent of true and fair value is used.
WEST VIRGINIA	Ninety-seven and five-tenths percent of public utility valuations in each classification of property.
	One hundred percent, minus 5% for allowance for the usual losses in collections to other property.

STATE	PROPERTY ASSESSMENT RATIOS USED/LEGAL STANDARDS FOR PROPERTY ASSESSMENT
WISCONSIN	Full value for real property and true cash value for personal property are used.
WYOMING	Assessments are being reviewed. Subject is under study in legislature.

STATE	MEASURE OF LOCAL ABILITY TO SUPPORT SCHOOLS
ALABAMA*	Property wealth per pupil. Index of local ability, including sales tax, auto license, valuation of public utilities, personal income tax, value added by manufacturing value of farm income.
ALASKA	Equivalent of four mill tax levy on full and true value of real and personal property within municipal districts.
ARIZONA	Property valuation.
ARKANSAS	The sum of charges on assessments of real property, personal property, utilities and regulated carriers plus 75% of miscellaneous revenues, from federal forest reserves, federal grazing and mineral rights and other miscellaneous funds divided by the WADM of the district. This is adjusted by a credit allowance for the number of instructional staff holding Masters degrees or higher.
CALIFORNIA	Statutorily prescribed share of 1% countywide property tax.
COLORADO	Property valuation per pupil.
CONNECTICUT	For special education, transportation, adult education, vocational education equipment and school construction grants: Equalized property value per capita, modified by a ratio of the town's 1983 per capita income to the wealthiest town's per capita income. For the Education Cost-Sharing (ECS) grant: Equalized property value per weighted pupil, modified by a ratio of the town's 1983 per capita income to the wealthiest town's per capita income. The pupil weighting is based on the number of AFDC pupils in the town, as well as the percentage of mastery test scores below the statewide remedial standard.
DELAWARE	Full value of property per unit of pupils.
FLORIDA	Property valuation per FTE pupil.
GEORGIA	Property valuation.
HAWAII*	Does not apply.
IDAHO	Property valuation per pupil.
ILLINOIS	Real property value plus corporate personal property replacement funds per weighted pupil.
INDIANA	Total assessed property valuation in district.

STATE	MEASURE OF LOCAL ABILITY TO SUPPORT SCHOOLS
IOWA	Property valuation per pupil.
KANSAS	For the 1989-90 school year, district wealth is determined by computing the average of the sum of the taxable income of resident individuals within the district for the two most recent years; and the average of adjusted valuation of the district for the 1988 tax year; modified by counting only 50% of merchants and manufacturers inventory, livestock, and business machinery and equipment, and the assessed valuation of the district for the 1989 tax year. Taxable income is the amount reported by resident individuals on Kansas income tax.
KENTUCKY	Property valuation per pupil.
LOUISIANA	Five and five-tenth mills of net assessed property value.
MAINE	Property valuation per pupil as computed by the state tax assessor to estimate full market value.
MARYLAND	The sum of the following: net taxable income, the assessed valuation of real property, and 50% of assessed value of personal property.
MASSACHUSETTS	Property value per capita.
MICHIGAN	Assessed value of property at 50% of market value.
MINNESOTA	Property valuation (adjusted gross tax capacity).
MISSISSIPPI	Adjusted assessed property valuation.
MISSOURI	Property valuation per pupil and an income factor. The income factor takes 50% of the deviation of a district's adjusted gross income per return from the statewide average and is used to adjust the RLE in the foundation part of formula.
MONTANA	Property valuation per pupil.
NEBRASKA	The sum of: Property valuation per pupil; foundation aid; certain accountable receipts, state apportionment insurance premium tax, fines and licenses, transportation receipts and tuition in excess of 125% of per pupil costs.
NEVADA	Yield from 1-1/2 cent sales tax and 2.5 mills property tax plus per pupil wealth from additional five mills, motor vehicle tax and other sources.

STATE	MEASURE OF LOCAL ABILITY TO SUPPORT SCHOOLS
NEW HAMPSHIRE	Equalized property valuation per weighted pupil, per capita income and tax effort.
NEW JERSEY	Equalized property valuation per pupil (true value).
NEW MEXICO	PL 874 revenue, forest reserve, and local property tax income.
NEW YORK	Real property valuation and adjusted gross income per resident pupil are weighted equally in the computation of aid used in most aid formulas.
NORTH CAROLINA*	No measure of local ability is used for the allocation of basic state aid; a measure of local relative ability-to-pay is determined by ranking all school units according to personal income and property valuation per ADM.
NORTH DAKOTA	Property valuation per pupil.
OHIO	Property valuation per pupil.
OKLAHOMA	Property valuation per pupil.
OREGON	Property valuation per pupil plus statutorily designated nonproperty tax sources of revenue. Property valuation is adjusted upward to reflect monies received through the Western Oregon Timber Severance Tax.
PENNSYLVANIA	Sixty percent dependent upon property valuation per pupil and 40% dependent upon personal income per pupil.
RHODE ISLAND	Equalized property valuation per pupil, adjusted for a median family income ratio.
SOUTH CAROLINA	Index of a local district's fiscal capacity in relation to that of all other districts in the state based on full market value of all taxable property of the district.
SOUTH DAKOTA	Property valuation adjusted to reflect market value times 60%.
TENNESSEE	Total assessed valuation and property equivalent of Tennessee Valley Authority payments in lieu of taxes.
TEXAS	Total value of residential property as determined by the State Property Tax Board. Also an index value (the full value of property minus the

STATE	MEASURE OF LOCAL ABILITY TO SUPPORT SCHOOLS
TEXAS (Continued)	difference between full value and the productivity value of land devoted to agricultural production) is used to determine local share of the foundation program.
UTAH	Property valuation per pupil.
VERMONT*	Tax adjustment by AGI and municipal overburden. Districts with FSP cost-to-levy ratio less than 1.5 are guaranteed $150 per WADM or the prior year's amount.
VIRGINIA	Composite index including real property valuation, individual income, and taxable sales on both a per pupil and per capita basis.
WASHINGTON	Property valuation per pupil.
WEST VIRGINIA	Property valuation. In regular Levy Collection.
WISCONSIN	Property valuation per pupil.
WYOMING	Property valuation per instructional unit.

STATE	SCHOOL DISTRICT BUDGET AND TAX RATE PROCEDURES/SOURCES OF LOCAL REVENUES
ALABAMA*	All 129 districts are fiscally dependent. Voter approval is required for tax increases with no limit on number of elections that may be held in one year. A three-fifths vote is necessary for approval. Sources of local revenue for schools are property tax (51%), sales tax (21%) and other (29%).
ALASKA	School districts cannot tax. Local revenue sources include municipal appropriations, interest earnings under school district control, municipal "in-kind" services, state tuition payments and 10% of federal impact aid eligible for adjustments by the state.
ARIZONA	There are five fiscally dependent and 219 fiscally independent school districts. Maximum local levy without voter approval is the required local effort for participation in the block grant program plus the rate needed to fund specific items established by statute as being outside the revenue control limit. A simple majority vote is required to exceed the general budget limit or raise property taxes. Local property taxes constitute the primary source of local revenue.
ARKANSAS	All 329 districts are fiscally independent. There is no legal limit to the number of mills that may be levied for school purposes. To increase the tax rate for schools, a simple majority vote is required. There is a limit of one election per year for tax increase requests. The majority of local revenues derive from the property tax.
CALIFORNIA	All 1,010 districts are fiscally dependent. The total property tax levy is limited constitutionally and its allocation prescribed statutorily. Districts can levy special taxes for specific purposes with a two-thirds majority vote. Such taxes may not preempt existing state taxes (e.g., sales, personal income, etc.). Voter approval is not required for the general operating budget. Local revenues are derived almost exclusively from the countywide property tax.
COLORADO	All 176 districts are fiscally independent. The local school board adopts a calendar year budget for each fund. On average, 80% of the general fund is controlled by the finance act. The balance is uncontrolled. A 5% override may be authorized by the district voters. The cumulative amount authorized extends to future years but may never exceed 5% of the sum of state equalization and general fund property tax of the budget year following authorization. Property tax is collected on a calendar year basis.
CONNECTICUT	The state's 166 districts are fiscally dependent. Local board of finance propose entire town budgets, which include the school budget. Voters

STATE	SCHOOL DISTRICT BUDGET AND TAX RATE PROCEDURES/SOURCES OF LOCAL REVENUES
CONNECTICUT (Continued)	accept or reject total budget. Voter approval is required for a new tax increase.
DELAWARE	All 19 districts are fiscally independent. Increase in total tax rates for current operations must be approved by referendum. Voter approval is required for a tax increase, two elections can be held each year; a simple majority is required for approval. Local revenue sources are: property tax (85%), capitation tax (1%), interest (5%), tuition (5%), and other (4%).
FLORIDA	All 67 school districts are fiscally independent. Maximum local levy without voter approval varies with RLE from 5.632 to 6.151 based upon assessment ratio differences. Discretionary millage, in addition, equals .719 mills for operations and two mills for capital purposes. Voter approval not required for budget or tax increase. One election can be held per year for local bond issues. Simple majority approval required. 80% of local revenue from property taxes; 20% from interest and other nontax sources.
GEORGIA	There are 159 fiscally dependent school districts and 27 fiscally independent school districts. Maximum local levy without voter approval is 20 mills. A simple majority vote is required for a tax increase; one election can be held per year. Eighty percent of local revenues derive from property taxes; 20% from sales taxes.
HAWAII*	Does not apply.
IDAHO	All 115 districts are fiscally independent. Maximum local levy without voter approval is four-tenths of 1%. Voter approval is required for a tax increase and an election can be held every 60 days. Approximately 85% of all local revenues come from property taxes.
ILLINOIS	For current expenses for education, maximum local levy without voter approval is 9.2 mills for K-8 and 9-12 districts and 18.4 mills for K-12 districts. Maximum local levy with referendum is 35 mills for K-8 and 9-12 districts and 40 mills for K-12 districts. Separate tax rate limitations apply for building operations and maintenance, capital improvements, transportation and summer school. Local revenues are provided by the real property tax, corporate personal property replacement tax, and other nontax sources.
INDIANA	All 302 districts are fiscally independent. Budget is for calendar year. Each district has access to four separate tax based funds. Debt and

STATE	SCHOOL DISTRICT BUDGET AND TAX RATE PROCEDURES/SOURCES OF LOCAL REVENUES
INDIANA (Continued)	Transportation levies are determined by need. Cumulative Building or Capital Projects Funds have a maximum rate of $1.25 per $100 of assessed valuation. Growth in the General Fund is permitted for increased assessed valuation, legislatively allowed increases and for operation of new facilities. An increase can also be effected by referendum.
IOWA	All 431 districts are fiscally independent. Voter approval is not required, but local tax levies are approved by a state budget review committee. Over 90% of local revenue for schools is derived from property taxes.
KANSAS	All 304 districts are fiscally independent. Voter approval is required to exceed the budget limitation; a simple majority is required for approval. Local revenues derive primarily from property and motor vehicle taxes. Each district receives a rebate of 23% (begins in May 1990) of its residential individual income tax liability.
KENTUCKY	All 177 school districts are fiscally independent. Maximum local levy without voter approval is the rate certified by the state. Districts can exceed the state certified levy with voter approval. Total special building fund tax rate cannot exceed 1.5 mills. Local revenues derive from a variety of sources: property, 70%; occupation licenses, 13%; utility taxes, 13%; other, 4%.
LOUISIANA	All 66 districts are fiscally independent. The maximum local levy without voter approval is five mills. Voter approval is required for a tax increase. One election may be held each year; a simple majority vote is required for approval. Primary sources of local revenue include: property tax (37%); sales tax (45%); interest on investments (10%) 16th section lands (2%); and other (6%).
MAINE	Districts (serving two or more municipalities) are fiscally independent. The budget is approved at an annual district meeting by voters of the participating municipalities. Following budget approval each member municipality is assessed its share. Single municipality school administrative units develop a budget, which must be approved by the legislative body (which may be elected representatives or the voters). In all cases, the tax rate for each municipality is set by its legislative body. Local revenues include property tax and miscellaneous revenues.
MARYLAND	All 24 school districts are fiscally dependent. Neither the constitution nor state statutes prescribe any upper limit for school levies. Local revenue for schools derive from property and income taxes.

STATE	SCHOOL DISTRICT BUDGET AND TAX RATE PROCEDURES/SOURCES OF LOCAL REVENUES
MASSACHUSETTS	The 367 local school districts are fiscally dependent. The maximum local levy without voter approval is 2.5% over the previous year. Local revenue for the schools is derived from property tax, user fees and an excise tax (state tax but revenues are kept locally).
MICHIGAN	The state's 525 K-12 school districts are fiscally independent. Maximum local levy without voter approval is 15 mills. Voter approval is required for a tax increase. One hundred percent of local revenues derive from the property tax.
MINNESOTA	All 435 school districts are fiscally independent. Separate levy limitations are determined by the state for general education, pupil transportation, community education and capital expenditures based on various statutory formulas. School districts may levy additional amounts for general education and debt service based on local referendum elections. The property tax is the primary source of local revenues for schools.
MISSISSIPPI	The 152 districts are fiscally independent. In addition there are 11 nonoperating administrative units and four agriculture high schools (AHS). There is no specific maximum mill rate. Districts are limited to no more than a 7% increase in the prior year's ad valorem revenue without a referendum. From 7% to 10%, the referendum is by protest petition. Over 10% must be by referendum with simple majority required for approval. Property tax revenues account for approximately 72% of local revenues for current operations. Other sources include tuition, 16th section revenue, interest on investments, school lunch and student activity.
MISSOURI	The 544 districts are fiscally independent. Maximum local levy without voter approval is 12.5 mills. Voter approval is required for budget or tax increase; two-thirds vote required for levies above 37.5 mills. Six elections may be held in one year. Sources of local revenue include property tax, sales tax and revenues from food services sales, interest income and student activities receipts.
MONTANA	All 546 school districts are fiscally independent. Voter approval is required for a budget or tax increase; simple majority required for approval. Local revenue for schools derives from local property taxes.
NEBRASKA	All districts are fiscally independent. In the budgeting process, total funding requirements are calculated. Federal, state and local anticipated receipts are deducted from the total. The balance is a total dollar

STATE	SCHOOL DISTRICT BUDGET AND TAX RATE PROCEDURES/SOURCES OF LOCAL REVENUES
NEBRASKA (Continued)	amount certified to the County. The County sets the levy necessary to collect the dollars needed.
NEVADA	All 17 districts are fiscally dependent. FY 88 actual sources of local revenue for schools were derived from property tax (42%), sales tax (49%) and other revenues (9%).
NEW HAMPSHIRE	There are nine dependent and 161 independent school districts. For dependent districts, the city council approves the annual budget and any increases thereto. For independent districts, school budgets must be approved annually by the voters. Local revenues for schools are derived exclusively from local property taxes.
NEW JERSEY	All 616 districts are fiscally independent. Two types of districts: Type I -- primarily urban districts with appointed school boards and Type II -- elected school board (majority of districts). Voter approval is required for the budget in Type II districts. There are no limits on the number of elections that may be held in one year, a simple majority is necessary for a budget approval. Source of local revenue for schools is the property tax.
NEW MEXICO	The 88 districts are fiscally dependent. The maximum local levy without voter approval is half mill. Voter approval is not required for a budget or tax increase. Sources of local revenue for schools are derived from the half mill property tax, interest earnings and other. State takes credit for 95% of half mill.
NEW YORK	There are 695 districts fiscally independent and five dependent. Budget procedures differ in city and noncity districts. Voters approve the budget in noncity (independent) districts. There is no limit on the number of elections that can be held in one year; simple majority is required for approval. In independent city districts, the board of education approves the budget. In dependent districts (the state's largest cities), local revenue to be applied in the budget is determined by the municipal government.
NORTH CAROLINA*	All 140 school districts are fiscally dependent; school taxes are levied and budgets approved by county commissioners. A supplemental tax with a maximum rate of 50 cents (60 cents where population is 100,000 or more) on $100 appraised value of property subject to taxation by the local school administrative unit is permissible with voter approval. A simple majority is required. No more than two elections can be held in one year. Local revenues for schools derive primarily from the property tax.

STATE	SCHOOL DISTRICT BUDGET AND TAX RATE PROCEDURES/SOURCES OF LOCAL REVENUES
NORTH DAKOTA	All 280 school districts are fiscally independent. The maximum local levy without voter approval is a total of 180 mills. Voter approval is not required for a budget increase. The tax limit may be increased by a 55% majority in districts with a population of 4,000 or less and by a simple majority in districts with a population over 4,000. Two elections can be held in one year. The primary source of local revenue for schools is the property tax.
OHIO	All 612 districts are fiscally independent. Districts may levy an additional 10 mills above the RLE without voter approval. A simple majority is required for tax increases above this amount. Local revenues for schools come from property taxes (75%) and other sources (25%).
OKLAHOMA	All 604 districts are fiscally independent. Districts can levy up to 20 mills without voter approval. A tax increase requires voter approval. Approximately one election per month can be held during the school year. For millage elections, simple majority required for approval; for bond issue, two-thirds required. Property tax revenue accounts for 81% of local revenue for schools.
OREGON	All 300 school districts are fiscally independent. Maximum local levy without voter approval varies, depending on existence of an approved tax base. A simple majority vote is required for a tax increase. No more than six elections can be held in one year. Recent legislation provides school districts with a safety net which permits a levy in the amount of the prior year's operating levy, without a vote.
PENNSYLVANIA	There are 499 districts fiscally independent and two districts dependent. Voter approval is not required for a budget or tax increase. Local revenues for schools are derived from the property tax (74%) and other taxes (21%).
RHODE ISLAND	All 37 districts are fiscally dependent. Voter approval is required for budget and tax increases. Majority vote is required for approval, no limit on number of elections that can be held in one year. The source of local revenue for schools is the property tax.
SOUTH CAROLINA	There are 41 districts fiscally independent and 50 districts fiscally dependent. Tax increases are approved by various bodies of authority (e.g., County Boards, Legislative Delegations, County Council, or by referendum).

STATE	SCHOOL DISTRICT BUDGET AND TAX RATE PROCEDURES/SOURCES OF LOCAL REVENUES
SOUTH DAKOTA	All 189 school districts are fiscally independent. General fund levels are limited to 40 mills on nonagricultural property and 24 mills on agricultural property. Local revenues derive primarily from local property taxes. Taxes are frozen for a two-year period, voters may override this freeze and implement a tax increase.
TENNESSEE	All 140 districts are fiscally dependent. Voter approval is not required for budget or tax increases. Sources of local revenue for schools are: property tax (65%) and sales tax (35%).
TEXAS	All 1,063 districts are fiscally independent. A tax rate increase of more than 3% must be posted for public notice and hearings. A tax rate increase of more than 8% may result in a rollback initiative by petition of 10% of voting rolls of districts. Only one election can be held annually; simple majority is required for approval. The source of local revenue for schools is the property tax.
UTAH	All 40 districts are fiscally independent. Proceeds from the 21.28 required mill levy that exceed the foundation program amount per weighted pupil unit are returned to the State Uniform School Fund as recapture. As part of the state-supported Voted Leeway Program, a district can levy up to ten additional mills above the 21.28 mills (see "Description of Formula"). An election is required and a simple majority is required for approval. Property tax revenue provides the majority of local school support.
VERMONT*	Vermont has 242 Town, City, and Incorporated School Districts, 28 Union School Districts (including one interstate district, which includes one Vermont town and one New Hampshire town), and four Unified School Districts. Each of the 274 districts is fiscally independent. Voter approval is required for each year's budget and tax rate. Local funds are derived almost entirely from the property tax.
VIRGINIA	The 138 districts are fiscally dependent. County supervisors or city council approves the budget and sets tax rates for all purposes. The major sources of local school revenue come from the property tax, sales tax, and other miscellaneous taxes.
WASHINGTON	The state's 296 public school districts are fiscally independent. Local levies generally may not exceed 20% of the previous year's full funding. For calendar 1989, 233 had maintenance and operation levies with an

STATE	SCHOOL DISTRICT BUDGET AND TAX RATE PROCEDURES/SOURCES OF LOCAL REVENUES
WASHINGTON (Continued)	average tax rate of $2.58 per thousand. Local levies account for approximately 12% of all maintenance and operation revenue.
WEST VIRGINIA	All 55 districts are fiscally independent. Total local levy rates vary by property class but the rate of Class II property (residential/agricultural) is two times that of Class I (tangible personal property) and one-fourth that of Class III (real and personal property outside municipalities exclusive of I, II) and Class IV (real and personal property inside municipalities exclusive of I and II).
WISCONSIN	There are 431 districts that are fiscally independent and have tax authority. Local revenues for schools derive primarily from local property taxes.
WYOMING	Forty-four districts are fiscally dependent and five are independent. The maximum local levy without voter approval is 26 mills. No voter approval is necessary for a budget increase. Voter approval is required for assessing three mills beyond the 26 mills and for capital construction projects. A simple majority is required for approval. Ninety percent of local revenues for schools comes from property taxes and school land income payments.

APPENDICES

APPENDICES

The Appendices included in **School Finance at a Glance** provide additional information on education finances across the states. Appendix A shows the percent of federal, state and local revenues of total education revenue for each of the fifty states. Also, average teacher salaries and per pupil expenditures are shown.

Appendix B provides information on state support for non-public schools. Appendices C - F provide supplemental information on state weighting schemes used to allocate funding for special student populations, district and school size characteristics and grade level differences. A glossary of school finance terms and notes are included in Appendix G.

APPENDIX A

KEY EDUCATION STATISTICS

1989-90

	TOTAL REVENUE BY SOURCE			AVERAGE TEACHER SALARY (ALL TEACHERS)	AVERAGE EXPENDITURE PER PUPIL (ADA)
STATE	FEDERAL	STATE	LOCAL		
Alabama	13.5%	67.1%	19.4%	$26,700	$3,319
Alaska	9.9*	60.5*	29.6*	43,500*	7,252*
Arkansas	4.7*	45.1*	50.2*	33,592*	3,858*
Arizona	9.7	59.5	30.8	22,693	3,272
California	8.0	66.8	25.1	37,640	4,620
Colorado	4.8*	38.1*	57.0*	35,586*	4,878*
Connecticut	3.7	44.7	51.6	41,909	7,930
Delaware	7.9	66.8	25.3	34,700	5,848
Florida	6.0	53.6	40.5	30,197*	5,051
Georgia	6.5*	60.9*	32.6*	31,685*	4,456*
Hawaii	7.9	92.0	.1	32,956	4,504
Idaho	7.2*	59.9*	32.9*	24,444*	3,016*
Illinois	7.7*	37.9	54.4	34,139	4,853
Indiana	4.5*	59.2*	36.2*	30,472*	4,126*
Iowa	5.3	51.0	43.7	27,619	4,590
Kansas	5.2	43.3	51.5	30,154	4,706
Kentucky	9.2	69.7	21.1	27,431	3,824
Louisiana	11.3*	54.4*	34.3*	23,754*	3,313*
Maine	6.7	53.2	40.1	27,829	5,577
Maryland	4.9	38.7	56.3	37,515	5,887
Massachusetts	4.4*	42.4*	53.2*	40,377*	6,740*
Michigan	4.7	36.3	59.0	37,286*	5,073
Minnesota	4.4	53.2	42.4	33,340	4,935
Mississippi	15.5	56.7	27.8	25,156	3,220
Missouri	5.6	38.0	56.4	28,381	4,226
Montana	8.0	47.7	44.3	29,526	4,254
Nebraska	4.8*	24.3*	70.8*	26,198*	3,874*
Nevada	4.1	36.7	59.3	31,810	4,260*

	TOTAL REVENUE BY SOURCE			AVERAGE TEACHER SALARY (ALL TEACHERS)	AVERAGE EXPENDITURE PER PUPIL (ADA)
STATE	FEDERAL	STATE	LOCAL		
New Hampshire	2.7%*	7.8%*	89.6%*	$28,958*	$4,833*
New Jersey	3.8*	41.5	54.7	37,777	8,439
New Mexico	12.0	76.4	11.6	25,988	4,180
New York	5.0	43.4	51.7	40,300	8,165
N. Carolina	6.3	65.7	27.9	28,947	4,164
N. Dakota	7.0*	49.7*	43.3*	23,788	3,581*
Ohio	5.4	47.1	47.5	32,380	4,394
Oklahoma	8.7	59.1	32.2	23,944	3,484
Oregon	6.3	26.8	66.9	31,887	5,085
Pennsylvania	5.3	45.9	48.9	33,219	5,728
Rhode Island	4.4	43.8	51.8	36,704	6,523*
S. Carolina	7.7	53.3	39.0	28,266	3,692
S. Dakota	9.3	27.3	63.4	22,120	3,312
Tennessee	9.4	48.3	42.4	27,949	3,503
Texas	7.9	43.1	48.9	28,558	4,011
Utah	6.3	56.7	37.0	24,793	2,733
Vermont	5.3	36.5	58.2	29,159*	5,418*
Virginia	4.7	34.7	60.2	31,862	4,986
Washington	5.8	73.4	20.8	31,825	4,639
W. Virginia	8.2	64.3	27.5	23,842	4,094
Wisconsin	4.1	39.1	56.8	33,788*	5,763*
Wyoming	4.5	56.8	38.8	29,304	5,391

Source: National Education Association, **Estimates of School Statistics, 1989-90**. Washington, D.C.: NEA

* = Estimate by NEA

APPENDIX B
STATE SUPPORT FOR NONPUBLIC SCHOOLS
1989-90

STATE	STATE SUPPORT FOR NONPUBLIC SCHOOLS
ALABAMA*	Primarily used to support pupils in special education. Tuition and transportation costs up to the amount paid per public school pupil is provided.
ALASKA	Does not apply.
ARIZONA	Does not apply.
ARKANSAS*	Does not apply.
CALIFORNIA	Pupils are entitled to ride school busses over same routes that public school pupils ride.
COLORADO	State funding of nonpublic schools is not allowed by the State Constitution. Private vendors receive state funding for education where pupils are placed by courts in private facilities with approved on ground schools.
CONNECTICUT	Aid to public schools for services is provided to nonpublic schools and/or pupils for health and welfare services, compensatory education, transportation and child nutrition.
DELAWARE	Aid for transportation and driver education is provided.
FLORIDA	Does not apply.
GEORGIA	State provides tuition for multihandicapped pupils.
HAWAII*	Does not apply.
IDAHO	Does not apply.
ILLINOIS	Nonpublic school pupils are afforded transportation services on the same basis as public school pupils. Participation is authorized and funded for the state school lunch and breakfast programs. The state textbook program is available on equal basis to nonpublic and public pupils. Parents or guardians of public and nonpublic pupils that reside 1-1/2 miles or more from their attendance center or less than 1-1/2 miles if hazardous conditions exist and do not have access to free public transportation are eligible to file for a state grant up to $135.00.

STATE	STATE SUPPORT FOR NONPUBLIC SCHOOLS
INDIANA	Does not apply.
IOWA	Transportation aid not to exceed the district average transportation cost per pupil -- when transportation is provided on district owned vehicles or when transportation is provided by nonpublic parents -- an amount established by statute based on the previous year's statewide average cost per pupil transported. Funds not to exceed comparable public school costs for \$10 per pupil, whichever is less.
KANSAS	Driver education aid at \$62 per pupil.
KENTUCKY	Does not apply.
LOUISIANA	State reimburses nonpublic schools for the recordkeeping associated with state regulations. Funds are provided for contract services for handicapped children when services cannot be provided by the local public school system. Funds for textbooks and supplies and transportation are provided. Participation in the state school lunch program is authorized and funded.
MAINE	State aid is provided for the transportation of private school pupils at 50% of the base year cost for 1985-86. Limited medical services, testing and textbooks are also provided.
MARYLAND	Does not apply.
MASSACHUSETTS	State provides aid for physical examinations and provides for special education services mandated by the federal government when private schools contract for these services through the public school system.
MICHIGAN	Direct pay to nonpublic schools is prohibited by the State Constitution. However, nonpublic school students may benefit from auxiliary services. The Auxiliary Services Act of the Michigan School Code specifies that if particular services named in the Act are provided to public school children in a school district, those services must also be made available to children attending nonpublic schools located within that district. The Act specifies services to include health and nursing services and examinations, national defense education act testing, speech and language teacher services, social work services, school psychological services, teacher consultant services for the handicapped, remedial reading services, and other services determined by the legislature. Some auxiliary services are also provided for general education services and

STATE	STATE SUPPORT FOR NONPUBLIC SCHOOLS
MICHIGAN (Continued)	some are special education-type services. If special education services are to be provided for a student, that student must first be found eligible for special education.
MINNESOTA	School districts are required to provide "equal transportation" for nonpublic school pupils; costs of transporting nonpublic school pupils are included in computing state transportation aid. Taxpayers may deduct, for state income tax purposes, the amounts spent for tuition, secular textbooks, and transportation of dependents attending public or nonpublic schools, up to $650 per dependent in grades K-6 and up to $1,000 per dependent in grades 7-12. School districts are required to provide secular textbooks, individualized instructional materials, and standardized tests to nonpublic school pupils, to offer these pupils health services, and to offer nonpublic secondary pupils guidance and counseling services. The state reimburses school districts for their costs up to formula limits based on the state wide average cost per pupil. School districts may provide shared time programs for nonpublic school pupils, and must make shared time special education programs available to handicapped nonpublic school students. The state pays shared time aid for these programs of $2,838 times the number of FTE weighted ADM served.
MISSISSIPPI	Aid is provided to distribute and freely loan books to nonpublic schools maintaining the same education standards as public schools, and to also demonstrate non-discriminatory practices.
MISSOURI	Does not apply.
MONTANA	Does not apply.
NEBRASKA	Does not apply.
NEVADA	Does not apply.
NEW HAMPSHIRE	Does not apply.
NEW JERSEY	Public school districts purchase and loan books to nonpublic school pupils in nonpublic schools located in the public school district (not to exceed the state average textbook expense per school pupil). Public school districts also provide nonpublic school pupils with auxiliary services and handicapped services and transportation.

STATE	STATE SUPPORT FOR NONPUBLIC SCHOOLS
NEW MEXICO	Does not apply.
NEW YORK	Public school districts are reimbursed for costs of purchasing and loaning textbooks to nonpublic school children (up to $15 per child). Transportation aided at 90% of approved expense. Software and library materials aid by pupil count. Health services provided.
NORTH CAROLINA	Does not apply.
NORTH DAKOTA	Does not apply.
OHIO	Nonpublic schools receive funds for secular materials, equipment, computer software, textbooks, health and remedial services.
OKLAHOMA*	Does not apply.
OREGON	Does not apply.
PENNSYLVANIA	The approved cost of providing transportation is reimbursed at 50% or the district aid ratio, whichever is greater. In addition, $70 per nonpublic pupil transported is provided. Health services are reimbursed at a rate of $7.00 per ADM for Nursing Services; $1.60 per ADM for Medical Services; $.80 per ADM for Dental Services or $2.00 per pupil served for Dental Hygienist Services. $142.80 per pupil for auxiliary services (guidance, etc.) supplied to nonpublic school pupils by public school personnel. A maximum of $29.78 per pupil for textbooks and $17.55 per pupil for instructional materials and equipment loaned.
RHODE ISLAND	State includes costs of certain tuition, transportation and textbook expenditures in the equalization formula. Reimbursement is also provided for actual costs entailed in mandated recordkeeping activities.
SOUTH CAROLINA	State provides tuition for handicapped pupils attending nonpublic schools when such attendance is a necessity.
SOUTH DAKOTA	Does not apply.
TENNESSEE	Does not apply.
TEXAS	Does not apply.
UTAH	Does not apply.
VERMONT*	Does not apply.

STATE	STATE SUPPORT FOR NONPUBLIC SCHOOLS
VIRGINIA	Does not apply.
WASHINGTON	Does not apply.
WEST VIRGINIA	Does not apply.
WISCONSIN	Public school districts are required to provide transportation for nonpublic pupils, for which the state pays transportation aid at regular rates. The state reimburses for public school-provided diagnosis and treatment services for nonpublic pupils with disabilities.
WYOMING	Does not apply.

APPENDIX C
STATES WITH PUPIL WEIGHTS FOR COMPENSATORY EDUCATION
1989-90

STATE	DEFINITION OF CATEGORY	WEIGHT
CONNECTICUT	Each aged 5-18 child receiving AFDC	0.25
	The percentage of statewide mastery tests which fall below the remedial standard times the number of regular program students.	0.25
GEORGIA	Achievement test scores in reading and mathematics	1.314
ILLINOIS	Chapter 1 eligibles	Variable weighting 0 - .625 depending on compensation of Chapter 1 eligibles in district relative to statewide concentration of 19.75%. Districts with 19.75-% concentration have an additional weight of .53 per low income pupil.
MASSACHUSETTS	Chapter 1 eligibles	0.20
MINNESOTA	AFDC pupil	Variable weighting 0.0 to 0.6, depending on concentration of AFDC pupils in district.
MISSOURI	AFDC and orphan pupils	0.25
NEBRASKA	Local discretion (districts must qualify for equalization aid)	1.00
NEW JERSEY	Pupils currently enrolled in remedial programs (both communication and computation programs -- a dual count of pupils is used).	0.1113
NEW YORK	Achievement test scores in reading and mathematics	0.25

STATE	DEFINITION OF CATEGORY	WEIGHT
OKLAHOMA*	Pupils who qualify and participate in a free and reduced lunch program	0.25
SOUTH CAROLINA	Grade 1-12 pupils who fail to meet statewide standards in reading, writing and math or who do not meet first grade readiness test standards.	0.26 Compensatory; 0.114 Remediation
TEXAS	Pupils who participate in free or reduced lunch program	0.20
UTAH	Pupils are eligible on the basis of the following criteria: low ratio income, foster children, AFDC count, and neglected and delinquent	Districts are awarded additional pupil units based on ratio of district disadvantaged pupils to statewide total
VERMONT*	The proportion of resident students residing in each school district with a family unit receiving food stamps is given an additional weight	.15

APPENDIX D
STATES WITH PUPIL WEIGHTS FOR SPECIAL EDUCATION PROGRAMS
1989-90

STATE	CATEGORIES	WEIGHT
ARIZONA*	Hearing handicapped	2.312
	Multiple handicapped/resource	0.762
	Multiple handicapped/self-contained	2.368
	Physically handicapped/resource	0.603
	Physically handicapped/self-contained	2.648
	Trainable mentally handicapped	2.042
	Visually handicapped	2.900
	Multiple handicapped (severe sensory impaired)	4.000
	Severely emotionally handicapped	1.500
ARKANSAS	Itinerant	0.40
	Resource room	0.85
	Self-contained	0.70
	Self-contained	1.10
	Special school, day	2.35
	Special school, residential	3.10
	Gifted/talented	0.25
CONNECTICUT	20-70% of reimbursable costs one year prior, inversely related to district wealth.	
DELAWARE	Educable mentally handicapped (15 pupils)	1.27
	Socially/emotionally maladjusted (10 pupils)	1.90
	Partially sighted (10 pupils)	1.90
	Intensive learning center pupils (8.6 pupils)	2.21
	Learning disabled (8 pupils)	2.38
	Blind (8 pupils)	2.38
	Trainable mentally handicapped (6 pupils)	3.17
	Severely mentally handicapped (6 pupils)	3.17
	Hearing impaired (6 pupils)	3.17
	Orthopedically handicapped (6 pupils)	3.17
	Autistic (4 pupils)	4.75
	Deaf/Blind (4 pupils)	4.75
FLORIDA	Educable mentally handicapped	2.178
	Trainable mentally handicapped	3.006
	Physically handicapped	3.752

STATE	CATEGORIES	WEIGHT
FLORIDA (Continued)	Physical and occupational therapy (part-time)	8.722
	Speech and hearing therapy (part-time)	5.642
	Speech, language and hearing therapy	3.434
	Visually handicapped (part-time)	13.697
	Visually handicapped	4.861
	Emotionally disturbed (part-time)	3.908
	Emotionally disturbed	2.867
	Specific learning disability (part-time)	3.246
	Specific learning disability	2.182
	Gifted (part-time)	1.992
	Hospital and homebound (part-time)	11.457
	Profoundly handicapped	4.525
GEORGIA	Resourced mildly handicapped	2.415
	Resourced moderately handicapped	2.872
	Self-contained moderately handicapped	3.628
	Self-contained severely handicapped	5.735
	Gifted	1.775
IDAHO	All handicapped categories (approximately)	1.45
	80% State Aid for personnel who work with special needs students.	
INDIANA	Multiple handicapped	2.37
	Physically handicapped	2.04
	Visually handicapped	2.70
	Hearing impaired	2.73
	Emotionally disturbed (full-time, self-contained class)	2.52
	Emotionally disturbed (all others)	.94
	Neurologically impaired/learning disabled (full-time, self-contained)	1.59
	Neurologically impaired/learning disabled (all others)	.94
	Communication handicapped	.19
	Educable mentally retarded	1.20
	Trainable mentally retarded	1.51
	Severely and profoundly mentally retarded	2.37
	Homebound (Two counts, (1) As of count day, (2) From day after count day of prior year to end of prior school year)	.57

STATE	CATEGORIES	WEIGHT
IOWA	Resource teaching program, special class with integration, supplemental assistance. Receive all or part of instructional program in the general education curriculum.	1.70
	Self-contained special class with little integration, limited participation in the general education curriculum with non-handicapped pupils.	2.40
	Self-contained special class. Pupils with similar educational needs who are severely handicapped and instructional program is provided by a special education teacher.	3.60
MASSACHUSETTS	Special needs programs (including regular education programs with modifications, regular education with no more than 25% time out, regular education with no more than 60% time out, substantially separate, home and hospital, day program prototypes).	4.00
	* Pupil count is FTE. A pupil who is enrolled in multiple programs that are conducted simultaneously and are therefore consolidated into one program is counted as one FTE pupil in the program that carries the highest weight.	
MONTANA	Salaries and benefits of special program teachers, aides, supervisors, audiologists and speech and hearing clinicians and support staff based on FTE in special education. Total costs of teaching supplies contracted services, transportation for personnel (calculated on the same mileage rate for other travel reimbursement), and buses, used for the special education program. If the total costs of the program exceeds legislative appropriations each district receives a pro rata reduction based on prioritized budget items established by the superintendent of public instruction.	

STATE	CATEGORIES	WEIGHT
NEW HAMPSHIRE	Within-district self-contained classroom	2.57
	Within-district mainstreamed	2.12
	Out of district day placement	7.08
	Residential placement	8.72
	Preschool day placement	3.37
NEW JERSEY	Additional cost factors for the following categories: (Factors are for the 1989-90 year and are adjusted annually).	
		Factor:
	Educable mentally retarded	.38
	Trainable mentally retarded	.71
	Visually handicapped	2.17
	Auditorially handicapped	1.51
	Communication handicapped	.61
	Neurologically impaired	.43
	Perceptually impaired	.15
	Orthopedically handicapped	1.05
	Chronically ill	0.70
	Emotionally disturbed	0.66
	Socially maladjusted	0.48
	Multiple handicapped	0.82
	Preschool handicapped	0.20
NEW MEXICO	Class A programs: specially trained teacher travels from class to class or school to school to assist teachers, students and gifted on a part-time basis.**	20.00
	Class B programs: specially trained teacher operates a resource room and assists gifted.**	20.00
	Class C programs: special classroom instruction for moderately handicapped and gifted.	1.90
	Class D programs: full-time special classroom instruction for severely handicapped students and aged three and four year old handicapped.	3.50

** Weighted classroom units

STATE	CATEGORIES	WEIGHT
NEW YORK	Pupils with handicapping conditions in special class 60% or more of the school day in either public school or BOCES Program.	1.70
	Pupils with handicapping conditions in special class 20% or more of the school week.	0.90
	Pupils with handicapping conditions in special class at least two periods per week.	0.13
	These weightings are for resident pupils and aid under the Excess Cost Aid Formula is in addition to aid for pupil attendance being included in the district's regular operating aid.	
OKLAHOMA*	Vision impaired	3.80
	Learning disabilities	0.40
	Hearing impaired	2.90
	Educable mentally handicapped	1.30
	Emotionally disturbed	2.50
	Multiple handicapped	2.40
	Physically handicapped	1.20
	Speech impaired	0.05
	Trainable mentally handicapped	1.30
	Gifted and talented	0.34
	Deaf and blind	3.80
	Special education summer program	1.20
	Bilingual	0.25
SOUTH CAROLINA	Educable mentally handicapped	1.74
	Learning disabilities	1.74
	Trainable mentally handicapped*	2.04
	Emotionally handicapped	2.04
	Orthopedically handicapped	2.04
	Visually handicapped	2.57
	Hearing handicapped	2.57
	Speech handicapped	1.90
	Homebound pupils	2.10

* Includes Profoundly Mentally Handicapped

STATE	CATEGORIES	WEIGHT
TENNESSEE	Option 1 Consulting, Direct & Related	0.378
	Option 2 Direct Inst. Services	0.474
	Option 3 Resource Prog. 4-8 hours	0.748
	Option 4 Resource Prog. 9-13 hours	1.352
	Option 5 Resource Prog. 14-22 hours	2.366
	Option 6 Ancillary - 4 hours per day	6.482
	Option 7 Comp. Dev. Class Mnst.	3.550
	Option 8 CDC Self-Contained	6.436
	Option 9 Residential Program	19.448
	Option 10 Homebound/Hospital	3.854
TEXAS	Homebound	5.0
	Hospital class	5.0
	Speech therapy	7.11
	Resource room	2.7
	Self-contained, mild and moderate, regular campus	2.3
	Self-contained, severe, regular campus	3.5
	Self-contained, separate campus	2.7
	Multidistrict class	3.5
	Non-public day school	3.5
	Vocational adjustment class	2.3
	Community class	3.5
	Self-contained, pregnant	2.0
	Hospital Care & Treatment	5.0
	State School Students	5.0
	Mainstream Students	0.25
UTAH	Handicapped pupils are assigned to one of five levels for funding purposes. The level to which pupils are assigned is determined by a formula which considers number of hours pupil receives special education, number of handicapped pupils in class, number of teachers and aides.	

	Regular Classroom	Self-Contained Classroom
Level I	.60	1.60
Level II	1.10	2.10
Level III	2.40	3.40
Level IV	3.00	4.00
Level V	5.20	6.20

WEST VIRGINIA	Handicapped	3.0

APPENDIX E
STATES WITH PUPIL WEIGHTS FOR DISTRICT/SCHOOL SIZE
1989-90

ARIZONA

Small isolated and small school districts with less than 600 ADM receive special weightings for K-8 and 9-12 enrollment.

ARKANSAS

Districts with less than 360 pupils in ADM for the previous year are given add-on weights according to the following formula with the ADM being that of the previous year:

$$\text{ADM}\ \frac{(360 - \text{ADM})}{600} = \text{Add-on weight for the district}$$

Isolated districts with less than 350 pupils in ADM for the previous year are given add-on weights according to the following formula.

$$\text{ADM}\ \frac{(350 - \text{ADM})}{600} = \text{Add-on weight for the district}$$

CONNECTICUT*

The state provides a $25 per pupil grant increase to the general aid formula grant for those towns participating in K-12 regional school systems.

IDAHO

Kindergarten Units

28 weeks A.D.A.	A.D.A. Per Unit	Weight Allowed
41 or more	40	1.00 or more
31 - 40.99 A.D.A.	Min/Max	1.00
26 - 30.99 A.D.A.	Min/Max	0.85
21 - 25.99 A.D.A.	Min/Max	0.75
16 - 20.99 A.D.A.	Min/Max	0.60
8 - 15.99 A.D.A.	Min/Max	0.50
1 - 7.99 A.D.A.	Count as Elementary	

Elementary Units

28 weeks A.D.A.	A.D.A. Per Unit	Weight Allowed
300 or more	23	15.00 or more
160 - 299.99 A.D.A.	20	8.40 or more
110 - 159.99 A.D.A.	19	6.80 or more

IDAHO Continued

Elementary Units Continued

28 weeks A.D.A.	**A.D.A. Per Unit**	**Weight Allowed**
71.1 - 109.99 A.D.A.	16	4.70 or more
51.7 - 71.00 A.D.A.	15	4.00 or more
33.6 - 51.60 A.D.A.	13	2.80 or more
16.6 - 33.50 A.D.A.	12	1.40 or more
1.0 - 16.50 A.D.A.	Min/Max	1.00

Secondary Units

28 weeks A.D.A.	**A.D.A. Per Unit**	**Weight Allowed**
750 or more	18.5	47.00 or more
400 - 749.99 A.D.A.	16.0	28.00 or more
300 - 399.99 A.D.A.	14.5	22.00 or more
200 - 299.99 A.D.A.	13.5	17.00 or more
100 - 199.99 A.D.A.	12.0	9.00 or more
99.99 or fewer		

Units Allowed as Follows

28 weeks A.D.A.	**A.D.A. Per Unit**	**Weight Allowed**
Grades 7 - 12	Min/Max	8.00
Grades 9 - 12	Min/Max	6.00
Grades 7 - 9	14	
Grades 7 - 8	16	

Exceptional Units

28 weeks A.D.A.	**A.D.A. Per Unit**	**Weight Allowed**
14 or more	14.5	1.00 or more
12 - 13.99 A.D.A.	Min/Max	1.00
8 - 11.99 A.D.A.	Min/Max	0.75
4 - 7.99 A.D.A.	Min/Max	0.50
1 - 3.99 A.D.A.	Min/Max	0.25

Alternative Program

28 weeks A.D.A.	**A.D.A. Per Unit**	**Weight Allowed**
12.0 A.D.A.	1.00	

MONTANA

Foundation program schedules for elementary (to 301 ANB) and secondary (to 601 ANB) schools decrease per student as school size increases until a minimum size is reached at which point the schedule is fixed.

NEVADA

Weights for small schools and urban areas.

NEW MEXICO

Additional program units for districts with less than 400 MEM (excluding special education MEM) according to the following formula:

Elementary - Junior High

(200 - MEM/200) x 1.0 x MEM = Units

Senior High

whichever provides the greater number of units:
(200 - MEM/200) x 2.0 x MEM = Units
or
(400 - MEM/400) x 1.6 x MEM = Units

Additional program units for districts with less than 4,000 MEM (including special education MEM) according to the following formula:
(4,000 - MEM/4,000) x 0.15 x MEM = Units

Additional units for districts with over 10,000 MEM with a ratio of MEM to senior high schools less than 4,000:1, according to the following formula:
(4,000 - MEM/Senior High Schools) x 0.50 = Units

NORTH DAKOTA

Elementary	**Weight**	**KDG. Weight**
1 room schools, 1-8		
first 16 ADM	1.29 (1989-90) 1.28 (1990-91)	0.50
each additional	0.90	
Grades 1-6		
0.99 ADM	1.045 (1989-90) 1.09 (1990-91)	0.50
each additional	0.90	
100-999 ADM	0.9025 (1989-90) 0.905 (1990-91)	0.50
1000 or more ADM	0.95	0.50

NORTH DAKOTA Continued

High School	**Weight**
0-74 ADM each additional	1.635 (1989-90) 1.625 (1990-91)
75-149 ADM each additional	1.35 (1989-90) 1.335 (1990-91)
150-549 ADM each additional	1.28 (1989-90) 1.24 (1990-91)
550 ADM each additional	1.17 (1989-90) 1.14 (1990-91)

OKLAHOMA*

Additional pupil units are earned by districts with less than 500 ADA according to the following formula:
(500 - ADA/500) x .2 x ADA = Units

UTAH

Additional units for small and necessary schools according to state schedule:

Elementary Schools

A.D.A.	**Number of Weighted Pupil Units**
5 up to 13	27
13 up to 21	40
21 up to 31	53
31 up to 51	53 + (1.4)(ADM-30)
51 up to 91	81 + (1.2)(ADM-50)
91 up to 111	129 + (1.0)(ADM-90)
111 up to 165	149 + (0.3)(ADM-110)

Junior High and Middle Schools

A.D.A.	**Weight**
0 up to 46	ADM x 2.0
46 up to 90	80 + (1.5)(0.9)(ADM-40)
90 up to 168	140 + (1.4)(0.9)(ADM-80)
168 up to 279	238 + (1.0)(0.9)(ADM-150)
279 up to 389	338 + (0.12)(0.9)(ADM-250)

UTAH Continued

Senior High Schools

A.D.A.	Weight
0 up to 84	ADM x 2.0
84 up to 140	150 + (1.6)(0.9)(ADM-75)
140 up to 207	230 + (1.1)(0.9)(ADM-125)
207 up to 279	296 + (1.0)(0.9)(ADM-185)
279 up to 417	361 + (.112)(0.9)(ADM-250)

Six-Year High Schools (grades 7-12)

A.D.A.	Weight
0 up to 90	ADM x 2.1 (Minimum Total Weighting of 27)
90 up to 179	160 + (1.4)(0.9)(ADM-80)
179 up to 279	272 + (1.0)(0.9)(ADM-160)
279 up to 722	362 + (0.72)(0.9)(ADM-250)

WYOMING

Elementary

Weighted classroom units:

ADM	Divisor	Minimum Units
Less than 10	8	1.00
10 but less than 27	8	1.20
27 but less than 44	12	3.25
44 but less than 76	14	3.60
76 but less than 151	16	5.36
151 but less than 301	19	9.38
301 but less than 501	22	15.79
501 and over	23	22.73

Junior High Schools

ADM	Divisor	Minimum Units
Less than 51	13	2.00
51 but less than 151	15	3.85
151 but less than 301	18	10.00
301 but less than 501	21	16.67
501 and over	23	23.81

WYOMING Continued

High Schools

ADM	Divisor	Minimum Units
Less than 76	10	-
76 but less than 151	14	7.40
151 but less than 301	17	10.71
301 but less than 501	20	17.65
501 and over	23	25.00

APPENDIX F
STATES WITH INSTRUCTIONAL UNIT WEIGHTS FOR GRADE LEVEL DIFFERENCES
1989-90

STATE	GRADE	ONE UNIT FOR
ALABAMA*	K	20 ADA

In addition to foundation program 1-6 approximately 525.

STATE	GRADE	ONE UNIT FOR
ARIZONA	K-3	.04 additional weights
DELAWARE	K	40 pupils
	1-3	19 pupils
	4-6	20 pupils
	7-12	20 pupils
KENTUCKY	K	25 pupils
	1	25 pupils
	2-3	22 pupils
	4	25 pupils
	5-6	26 pupils
	7-12	27 pupils
LOUISIANA	K-3	20 pupils
	4-12	25 pupils
MISSISSIPPI	K	24 pupils in ADA
	1-4	24 pupils in ADA
	5-12	27 pupils in ADA

One additional unit is granted for each approved program in special education; half additional unit is granted for each approved program in vocational education.

STATE	GRADE	ONE UNIT FOR
NEW MEXICO	K	1.3 (1/2 day)
	1-3	1.1
	4-6	1.0
	7-12	1.25
NORTH CAROLINA*	K-9	26 pupils
	10-12	30 pupils
SOUTH DAKOTA	K-8	16.65 pupils
	9-12	13.16 pupils

STATE	GRADE	ONE UNIT FOR
TENNESSEE	K-3	to 25 pupils
	4	to 28 pupils
	5-6	to 30 pupils
	7-12	to 35 pupils

GLOSSARY OF SCHOOL FINANCE TERMS

ADA: Average Daily Attendance; WADA is weighted ADA.

ADM: Average Daily Membership; WADM is weighted ADM.

AFDC: Aid to Families with Dependent Children.

AGI: Adjusted Gross Income.

Assessed Valuation: The value of a taxable property as determined by a government agency or tax assessor. Taxes are paid on the basis of a property's assessed valuation. The assessed valuation of property in most states and localities is usually less than the market value of the property.

Assessment Ratio: The assessment ratio is the ratio of actual assessed valuation to market valuation.

Bonded Indebtedness: Most states limit the ability of local governments, including school districts, to incur debt. Limits on debt associated with the sale of bonds, bonded indebtedness, are frequently tied to the source of revenue from which the debt is to be repaid. In the case of school districts, this usually is the assessed valuation of property. Bonded indebtedness can be linked to local tax rates. When a state fully funds the activities for which debt is normally obtained, there may be no local provisions for incurring or limited debt.

Categorical Aid: State or federal aid that is designated for a specific use. Examples are transportation aid, special education aid, aid for vocational education, and aid for capital construction.

District Power Equalization: District power equalization (DPE) refers to a state equalization aid program that "equalizes" the ability of each school district to raise dollars for education. In a pure DPE program, the state guarantees to both property-poor and property-rich school districts the same dollar yield for the same property tax rate. In essence, equal tax rates produce equal per pupil expenditures. DPE programs are given different names in different states, including Guaranteed Tax Base Programs (GTB), Guaranteed Yield Programs (GTY) and Percentage Equalization Programs (PE). Each focuses on local ability to generate revenue for schools.

Equalization: The process of compensating for differences in order to make equal. Several related concepts are useful. **Capacity Equalization** is the process of compensating for differences in school districts' ability to support education in order to achieve student equity and taxpayer equity. **Service and programmatic equalization** is the process of compensating for differences in the level of services or programs in a school or school district in order to achieve student equity.

Foundation Program: A foundation program is a state equalization aid program that typically guarantees a certain foundation level of expenditure for each student, together with a minimum tax rate that each school district must levy for education purposes. The difference between what a local school district raises at the minimum tax rate and the foundation expenditure is made up in state aid.

Foundation or Guarantee Level: That level of per pupil expenditures guaranteed to all school districts in a state through a combination of state aid and locally raised revenue.

Fiscal Capacity: The total economic resources available to a government for tax purposes. In school finance, fiscal capacity is generally defined as property valuation per pupil, but several states include income or other measures of wealth with property valuation as a measure of fiscal capacity.

Fiscally Dependent/Independent School Districts: School district budget and tax rate procedures vary among the states. Often, local school boards have authority for both developing budgets and levying taxes to support such budgets. These powers are referred to as fiscal independence. In some instances, school boards do not possess independent tax authority. Upon developing a budget, the board must submit it to another governmental entity, typically a municipal or county governing body for approval. When these jurisdictions maintain appropriating authority, the school district is considered fiscally dependent.

FTE: Full-Time Equivalent count of students determined by computing the pupil minutes of time in each program for the school year and dividing by the total number of minutes in the school year.

FY: Fiscal Year. A twelve-month period with a starting date selected by the state and used as the period to be covered by the budget.

General Aid: State or federal aid which can be used by a school district for any purpose.

Guaranteed Tax Base (GTB): See District Power Equalization.

Guaranteed Yield Program (GTY): See District Power Equalization.

Impact Aid: A program that provides assistance to school districts that serve significant numbers of children whose parents either work for the federal government or reside on property owned by the federal government.

Instructional Unit: In contrast to pupils as the basis (unit) for quantifying district needs and allocating funds, some states allocate funds on the basis of the number of pupils per classroom or per teacher. These **instructional units** can be computed for specific program areas, grade levels or types of school districts (e.g., urban, rural).

Local Leeway: In state aid programs, the right of a participating district to tax itself at a rate above the mandated local tax effort or spend above a specified level of expenditure.

MILL: A millage rate is the amount of property tax dollars levied for each $1,000 of assessed valuation.

Percentage Equalization Program: See District Power Equalization.

Property Tax Circuit Breaker Program: A tax relief program, usually financed by the state, that focuses property tax relief on particular households presumed to be overburdened by property taxes. It is intended to reduce the presumed regressivity of the property tax. A typical circuit breaker program attempts to limit the property tax burden to a percent of household income and applies only to residential property taxes (a few states do apply such relief to agricultural property). The percent usually rises as income rises in an attempt to make the overall burden progressive. Most states enacted circuit breaker programs initially just for senior citizens, but some have extended relief to all low-income households, regardless of age.

Pupil Count: The method of counting students served by the public schools. Several methods are frequently used. Average Daily Attendance **is the actual presence of enrolled students counted at two or more times during the school year and averaged over the number of counts.** Average Daily Membership is the number of student enrolled, counted at two or more times during the school year and averaged over the number of counts. **Full-Time Equivalent (FTE)** pupils is a count reflecting the amount of time a student spends in particular instructional programs or services. For instance, a student might spend .50 percent of his/her time in a program for exceptional students and the remain .50 percent in a regular instructional program. The FTE count would be 1.00.

Pupil-Weighted Systems: A state aid system in which pupils are given different weights based on the estimated or assumed costs of their education program. Aid is allocated on the basis of the total number of weighted students. Usually, the cost of the education program for grades 4-6 is consider the standard program and weighted 1.0. States using this approach might decide to invest more heavily in the early grades, in effect "weighting" these students more heavily (typically around 1.30). High school students might also receive more weight (typically 1.25). The major education program areas where weights are frequently used are special education and vocational education. The weights depend on the number of categories of students or services defined.

Recapture: A feature in state aid to education formulas where local districts which raise an amount per pupil in excess of the state guaranteed expenditure per pupil would have to pay back the excess to the state for redistribution to poorer schools (i.e. those with less valuation per pupil).

Required Local Tax Rate: A term indicating the mandated property tax rate required for participation in the state aid system. The required local tax rate is usually associated with a foundation program and is often expressed in terms of **mills**. A millage rate is the amount of property tax dollars to be paid for each $1,000 of assessed valuation.

RLE: Required Local Effort, a local tax that must be levied. Local funds raised by the RLE are subtracted from the total foundation funds to determine the amount of state aid the district receives.

Notes: The entry for each state that has an asterisk following it (*) reflects the use of data from 1987-88. All other entries are based on 1988-89 data and reflect responses reported by officials in the state department of education.